



LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

March 24, 2022

LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JANUARY 31, 2022

Vancouver, March 24, 2022 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) first quarter results for the period ending January 31, 2022. 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, 2022:

- The Company granted an aggregate of 3,200,000 common shares (the “Optioned Shares”) of the Company, at exercise price of C\$0.62 per option, expiring on the date that is three years from the date of grant to its directors, officers, employees, and consultants.

Subsequent to January 31, 2022:

- The Company initiated an internal review focused on the potential to restart production at the Company’s fully-owned Woxna graphite mine in Sweden.

Results of Operations

Three Months Ended January 31, 2022 Compared to Three Months Ended October 31, 2021

During the three months ended January 31, 2022 (“Q1 2022”) the Company reported a net loss of \$2,094,349 compared to a reported net loss of \$554,925 for the three months ended October 31, 2021 (“Q4 2021”), an increase in loss of \$1,539,424, the increase 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, and market to market loss of \$219,208 booked in Q1 2022 compared to a mark to market gain of \$122,484 booked in Q4 2021.

Three Months Ended January 31, 2022 Compared to Three Months Ended January 31, 2021

During the three months ended January 31, 2022 (“2022 period”) the Company reported a net loss of \$2,094,349 compared to a net loss of \$668,278 for the three months ended January 31, 2021 (“2021 period”), an increase in loss of \$1,426,071, the increase 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 the 2022 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.

	Fiscal 2022	Fiscal 2021				Fiscal 2020			
Three Months Ended	January 31, 2022 \$	October 31, 2021 \$	July 31, 2021 \$	April 30, 2021 \$	January 31, 2021 \$	October 31, 2020 \$	July 31, 2020 \$	April 30, 2020 \$	January 31, 2020 \$
Operations									
Expenses	(1,874,407)	(460,907)	(600,531)	(483,495)	(664,674)	(882,556)	(420,959)	(337,609)	(375,930)
Other items	(219,942)	(94,018)	(477,057)	1,573,567	(3,603)	327,987	(21,567)	20,187	(31,374)
Comprehensive profit/(loss)	(2,094,349)	(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)	0.01	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Financial Position									
Working capital	3,236,870	2,350,166	2,803,903	3,935,156	2,598,191	3,277,010	3,354,422	499,883	711,727
Total assets	30,597,341	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	(10,812,012)	(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 three months ended January 31, 2022, the Company recorded a net loss of \$2,094,349 and, as of January 31, 2022 the Company had an accumulated deficit of \$43,198,619 and working capital of \$3,236,870. 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 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, 2022, 200,000 options and 4,421,428 warrants were exercised for gross proceeds of \$45,000 and \$1,620,500 respectively. 3,200,000 share options were granted during the three months ended January 31, 2022 at an exercise price of \$0.62.

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.

Outlook

Regretfully any outlook must start with the mention of the horrendous and hostile invasion of Ukraine by Russia. Besides the unfathomable human suffering for the Ukrainian people, this development comes on top of the COVID pandemic another tectonic event that will shape geopolitics and industrial policy going forward. One can only hope for a swift ending to the current situation in Ukraine, but there is no turning back from the realization by western governments that energy and supply chain reliance on authoritarian and autocratic regimes is something that has to be solved urgently. The Versailles Declaration by EU leaders clearly outlines steps to reduce energy dependency on Russia and addresses strategic dependencies on critical raw materials in general¹. These are not new initiatives in the context of EU industrial policy over the last years, but one can

¹ <https://www.consilium.europa.eu/media/54773/20220311-versailles-declaration-en.pdf>

be certain that there is more commitment and urgency to deliver on the ambitions. For both energy independence and raw material security, a key deliverable will be to develop raw materials projects within the borders of the EU. The projects we have in our portfolio are exactly the type of projects that are needed now more than ever before.

Battery raw material prices have risen sharply over the last few months driven by continued strong demand and increasing production costs, not least due to increasing electricity costs globally². Graphite prices in Europe, including spherical purified graphite (being the anode material feedstock), are recently reported³ to be up almost 40-50% compared to the same period last year⁴.

Four our Woxna graphite project, we are working actively on two parallel and closely related projects. One being the evaluation of restarting flake graphite production at the existing mine due to the improved market conditions. The other is the production of bulk samples of battery grade graphite together with our preferred suppliers where we recently have concluded thermal purification trials. The produced material will be further processed by our proposed JV partner Sicona into lithium-ion anode materials which will be tested in battery cells and sent for customer pre-qualifications. The data of this test program will form the basis for the next development steps towards a Swedish anode material demonstration plant and if agreed, the incorporated JV on the anode project.

The same demand and supply crunch dynamics have supported rare earth prices year to date. Prices for key magnet rare earth oxides such as neodymium, dysprosium and terbium continued rising initially but have recently reversed some of those gains after China initiated communication attempted at cooling the market⁵. Even with the recent correction, the key magnet rare earth oxide prices are up between 27 and 150% year on year⁶.

We are continuing our work on updating the mining lease application for the Norra Karr project based on the new plan for the project announced last year⁷. Recently the Government of Sweden approved the mining lease application for the Kallak iron ore project in north of Sweden⁸. This is interesting in the context of that project having been locked in a same type of permitting stalemate as Norra Kärr for close to ten years. The Minister of Enterprise emphasized that it was a new type of mining lease approval which would be used as a praxis for future evaluations. The granting was associated with several conditions with the objective to minimize the conflict between competing national interests. These types of conditions are normally dealt with at the environmental permitting stage, the effect essentially being that the project was pushed through the mining lease stage in order to open up the opportunity to focus on the required development work towards an environmental permit application.

As we move through the first half of the year we are working across each important front of our projects that will enable us to progress them to the next phase. During the quarter we were pleased to see continuing support from long-term shareholders through the exercise of options and warrants for proceeds to the Company of \$1,665,500, with many warrants and options still outstanding with exercise prices deep in the money. We are also encouraged to see continued increasing interest in the Company by Swedish shareholders, earlier this year Swedish shareholders became the major shareholder base and trading volumes on our Nasdaq First North listing are now growing. Outside of delivering shareholder value, we have always felt the importance of our projects in how they can support the climate transition and Europe's ambitions to become more self-reliant for critical raw materials. This responsibility is now bigger than ever in this new geopolitical environment that emerged this year.

² <https://www.fastmarkets.com/insights/battery-ev-producers-grapple-with-record-high-prices-due-to-ongoing-raw-material-supply-crunch>

³ <https://www.indmin.com/Article/5089795/Graphite/Strong-demand-in-China-tightening-supply-support-graphite-markets.html>

⁴ <https://www.indmin.com/Article/3978011/Graphite-LatestNews/GLOBAL-GRAPHITE-SNAPSHOT-Prices-stable-but-freight-costs-new-material-sources-add-uncertainty.html>

⁵ <https://www.reuters.com/business/china-calls-rare-earths-companies-bring-prices-back-reasonable-level-2022-03-04/>

⁶ <https://treo.substack.com/p/trust-is-no-entitlement-russia-ukraine?s=r>

⁷ https://leadingedgematerials.com/wp-content/uploads/2021/08/NorraKarr_PEA_43-101.pdf

⁸ <https://www.mining.com/web/sweden-gives-qualified-go-ahead-for-northern-kallak-iron-ore-mine/>

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 the quarter ending April 30, 2022, is expected to be published on or about June 22, 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 January 31, 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 March 24, 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 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.