

# Leading Edge Materials Finalizes Strategic Review and Updates Execution Path for Woxna Graphite Mine

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VANCOUVER, May 27, 2019 - Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company") (TSXV: LEM) (OTCQB: LEMIF) (Nasdaq First North: LEMSE) is pleased to announce completion of the internal corporate strategic review (the "Strategic Review") announced 7<sup>th</sup> January 2019, and updated 4<sup>th</sup> March 2019. The review was led by Company Chairman Mr. Michael Hudson and Mr. Filip Kozlowski, an independent Director.

Following the recommendation of the Strategic Review, the Board has resolved to initiate the transition of its Swedish subsidiary Woxna Graphite AB into a freestanding company. It is expected that the freestanding structure will enable Woxna Graphite AB to execute more effectively upon a high value graphite materials business plan by undertaking strategic financings independent of [Leading Edge Materials Corp.](#), and allowing the local team to be expanded with an increased focus on customer and stakeholder relationships. Furthermore, it is anticipated that Woxna Graphite AB will be in a stronger position to benefit from Swedish and European public funding opportunities that are developing in the battery materials sector.

Based on the findings of the Strategic Review, the Board is of the view that the proposed strategy will be the least dilutive to existing [Leading Edge Materials Corp.](#) shareholders, while enabling the Woxna graphite project to access the funding necessary to further develop the materials, technology and corporate profile required to become a leading European supplier of high value graphite products. With more secure funding, the fully built Woxna graphite mine will maintain its early mover status in the European natural graphite market, and be best positioned to gain off take agreements for battery anode materials through installation and operation of the proposed battery anode demonstration plant.

The transition process will be initiated immediately and the Board is now identifying the appropriate leadership and other resources required to enable swift progress. The Board will communicate these findings as they become available.

Subject to a range of technical, financial and market interest milestones being achieved, an Initial Public Offering ("IPO") on a Swedish public market may be considered in the future for Woxna Graphite AB.

Mark Saxon, Interim President and CEO, stated "Despite the widespread evidence of rapid growth in the lithium ion battery and electric vehicle markets, North American mining markets remain subdued with limited funding opportunities. Through the Strategic Review we have identified potential funding pathways in Europe that are open for direct project investment. The Board strongly believes direct funding of Woxna Graphite AB, shall be the least dilutive way to finance the Woxna graphite mine through to production of high value graphite products."

The Board emphasizes that [Leading Edge Materials Corp.](#) will continue to hold significant exposure to the success of the Woxna graphite mine as a future graphite materials supplier. Meanwhile, the Board will continue to execute on other assets within the Company's portfolio in the Nordic region and Romania. Interest in the Company's portfolio of assets is demonstrated by the recent focus on rare earth element supply security following speculation of trade conflict between USA and China.

The proposed restructure is subject to the receipt of all necessary regulatory approvals that are customary for a transaction of this nature.

Update on developments in the European Battery Industry

The [Leading Edge Materials Corp.](#) Board remains confident in the strategy to focus on the supply of high value materials to the European lithium-ion battery market. Lithium-ion battery and electric vehicle ("EV") markets are showing very rapid growth through the aligned interests of battery manufacturers, the automotive industry and the European Commission.

Volkswagen AG have expressed their "Strategy 2025" ambition, to "build cars for millions, not millionaires" with more than 50 EV models planned by 2025, requiring 6 lithium-ion battery factories equivalent to Tesla's Nevada giga-factory alone. Daimler's recent "Ambition 2039" statement outlines the aim to have plug-in hybrids or all-electric vehicles comprise more than 50% of its car sales by 2030 and CO<sub>2</sub>-neutral production in Europe as of 2022.

Support for battery and battery materials production within Europe are at unprecedented levels, with emerging Swedish lithium ion battery manufacturer Northvolt receiving a €350m loan from the European Investment Bank ("EIB") during May 2019. The European Commission's Vice President for the Energy Union, Maroš &Scaron;ef?ovi? stated after a recent EU Battery Alliance meeting: "Our goal is to see European champions take the lead in the global arena. Batteries are a key strategic sector for the future of mobility and decarbonisation of our economy."

Furthermore, Mr &Scaron;ef?ovi? commented "We must also show that we mean business when filling the remaining gaps in the value chain, notably mining and refining. EU companies need to be better supported to invest in sustainable mining and refining of raw materials &ndash; both in EU and third countries. We plan to launch a European Raw materials investment facility with the EBRD and the EIB &ndash; hopefully at the end of the year."

Further information can be found at [http://europa.eu/rapid/press-release\\_STATEMENT-19-2337\\_en.htm](http://europa.eu/rapid/press-release_STATEMENT-19-2337_en.htm).

The proposed "European raw materials investment facility" backed by the European Bank for Reconstruction and Development ("EBRD") and the EIB is anticipated to provide financial support for accelerated exploration and development of critical raw materials including graphite, lithium, cobalt and rare earth elements within the European Union, to increase supply security and sustainability of the lithium-ion battery and automotive industries.

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

Mr. Mark Saxon, Interim CEO

About Leading Edge Materials

[Leading Edge Materials Corp.](#) is a Canadian public company focused on production of high value critical raw materials for the European market, with an operating base in the Nordic region, a region well recognized for its promotion and investment in innovation. LEM's flagship asset is the Woxna Graphite production facility located in central Sweden targeting the supply of specialty materials for lithium ion battery production.

Additional Information

This information is inside information that [Leading Edge Materials Corp.](#) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, at 27th May 2019 at 4:15 PM Vancouver time.

[Leading Edge Materials Corp.](#) is listed on the TSXV under the symbol "LEM" and Nasdaq First North Stockholm under the symbol "LEMSE". Mangold Fondkommission AB is the Company's Certified Adviser ("CA") on Nasdaq First North and may be contacted at +46 (0) 8 5030 1550.

Reader Advisory

This news release may contain statements which constitute "forward-looking information", including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities of the Company. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities and involve risks and uncertainties, and that the Company's future business activities may differ materially from those in the forward-looking statements as a result of various factors, including, but not limited to, timing and closing and the results of the proposed restructuring of Woxna Graphite AB, an IPO of Woxna Graphite AB, fluctuations in market prices, successes of the operations of the Company, continued availability of capital and financing and general economic, market or business conditions. There can be no assurances that such information will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

Woxna has never defined a mineral reserve and the previous preliminary economic assessment on Woxna dated October 29, 2013, has been superseded by the Company's current technical report dated May 11, 2015. As the Woxna facility is not in production but remains on a production ready status, any future decision to recommence mining at Woxna will not be based on a preliminary economic assessment demonstrating the potential viability of mineral resources or feasibility study of mineral reserves demonstrating economic and technical viability. Under these circumstances, there is increased risk of technical and economic failure for the Woxna project, and the Company discloses additional risk factors relating thereto. The Company advises that it has not based its production decision on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that production will begin as anticipated or at all or that anticipated production costs will be achieved. Failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations. Failure to achieve any anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Please contact the Company at: 1.604.685.9316, info@leadingedgematerials.com, www.leadingedgematerials.com

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