

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Leading Edge Materials Corp. (“**Leading Edge Materials**” or the “**Company**”) of Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7

Item 2 Date of Material Change

December 30, 2019

Item 3 News Release

The December 30, 2019 news release, attached herewith, was disseminated via Cision and filed on SEDAR at www.sedar.com on December 30, 2019.

Item 4 Summary of Material Change(s)

Leading Edge Materials (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) announced it had closed the non-brokered private placement financing (the “**Private Placement**”) previously announced on [November 5, 2019 and December 4, 2019](#). Pursuant to the Private Placement, the Company has issued 18,000,000 units (the “**Units**”) at a price of \$0.056 per Unit for aggregate gross proceeds of C\$1,008,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.10 until December 30, 2023.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Reference is made in the news release attached hereto.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

For further information relating to this Material Change Report, please contact:

Nick DeMare, CFO
Tel: 604.685.9316

Item 9 Date of Report

December 31, 2019



LEADING EDGE MATERIALS CORP.

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TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF
emerging materials, expanding markets

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NEWS RELEASE

December 31, 2019

Leading Edge Materials Closes Private Placement Financing

Vancouver, December 31, 2019 – Leading Edge Materials Corp. (“**Leading Edge Materials**” or the “**Company**”) (**TSXV: LEM**) (**Nasdaq First North: LEMSE**) (**OTCQB: LEMIF**) is pleased to advise of the closing of the non-brokered private placement financing (the “**Private Placement**”) as announced on [November 5, 2019](#) and [December 4, 2019](#). Pursuant to the Private Placement, the Company has issued 18,000,000 units (the “**Units**”) at a price of \$0.056 per Unit for aggregate gross proceeds of C\$1,008,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.10 until December 30, 2023.

The Company intends to use the proceeds for the Company’s projects, located in Sweden and Romania and for general working capital and corporate purposes. This may include assessing the next appropriate actions for the Company’s wholly-owned Swedish subsidiary, Woxna Graphite AB, as recommended by the internal strategic review (announced [May 27, 2019](#)). No finder’s fees or commissions were paid in connection with the Private Placement.

Mr. Eric Krafft, who held 9.98% of the issued and outstanding common shares of the Company prior to the closing of the Private Placement, subscribed for 13,000,000 Units under the Private Placement. As a result, Mr. Krafft has become a new insider of the Company beneficially holding, or exercising control or direction over, 22,554,404 common shares of the Company or approximately 19.84% of the issued and outstanding common shares of the Company and warrants entitling Mr. Krafft to acquire up to an additional 17,426,364 common shares of the Company. A restriction has been placed on the exercise of any outstanding warrants held or controlled by Mr. Krafft as at closing of the Private Placement that prevents the exercise thereof if such exercise results in Mr. Krafft holding 20% or more of the issued and outstanding shares of the Company, unless approval is obtained from the Company’s shareholders.

Mr. Mark Saxon, Interim CEO stated, “Closing of this Private Placement in full is a sign of confidence during a challenging period in mining markets. The raising of C\$1 million provides the working capital needed to achieve the next milestones for the Company, in particular for the Woxna graphite mine in Sweden. As the raise includes a 12-month hold of both shares and warrants, it reinforces the long-term support of Leading Edge Materials by new and existing shareholders.”

The Common Shares, Warrants and Warrant Shares are subject to resale restrictions pursuant to a “distribution compliance period” (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) of one year expiring on December 31, 2020. The Common Shares, Warrants and the Warrant Shares have been issued in certificated form to facilitate the inclusion of required restrictive legends in accordance with United States securities legislation.

In addition, a voluntary trading restriction has been placed on all securities issued under the Private Placement, including the securities issuable on exercise of the Warrants, pursuant to which such securities cannot be traded until December 31, 2020. This voluntary restriction runs concurrently with the above referenced one-year distribution compliance period under the U.S. Securities Act. The minimum investment amount for European Economic Area (“**EEA**”) investors in the Private Placement was an amount equivalent to at least EUR 100,000.

The securities have not been, and will not be, registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S.

persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

Mark Saxon, Interim President and CEO

For further information, please contact the Company at:

1.604.685.9316

info@leadingedgematerials.com

www.leadingedgematerials.com

About Leading Edge Materials

Leading Edge Materials is a Canadian public company focused on production of high value critical raw materials for the European market. Leading Edge Materials' assets and research focus are towards the raw materials for Li-ion batteries, high thermal efficiency and materials that improve the efficiency of energy generation. Investments are linked to the global shift to low-carbon energy generation and energy storage.

Additional Information

The information was submitted for publication through the agency of the contact person set out above, on December 31, 2019 at 3:00 AM Vancouver time.

Leading Edge Materials 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 CA on Nasdaq First North and may be contacted at +46 (0) 8 5030 1550.

Reader Advisory

This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Leading Edge Materials in any jurisdiction.

This news release may include forward-looking information that is subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward-looking, including statements with respect to the use of proceeds from the Private Placement. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such information is not a guarantee of future performance and actual results or developments may differ materially from those contained in forward-looking information. Factors that could cause actual results to differ materially from those in forward-looking information include, but are not limited to, 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.

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Any investment decision in connection with the Private Placement must be made on the basis of all publicly available information relating to the Company and the Company's shares/Units. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares/Units.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation"). Leading Edge Materials has not authorised any offer to the public of Units, shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Private Placement. In any EEA Member State, the Private Placement will only be addressed to and is only directed at investors with a minimum investment amount equivalent to at least EUR 100,000.

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