

## Form 62-103F1

### *Required Disclosure under the Early Warning Requirements*

#### **Item 1 – Security and Reporting Issuer**

##### **1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Securities: Units (“Units”), each Unit comprised of one common share in the capital of the Issuer (a “Share”) and one Share purchase warrant (a “Warrant”).

Issuer: Leading Edge Materials Corp.  
1305 – 1090 West Georgia Street  
Vancouver, BC V6E 3V7

##### **1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable. See 2.2 below

#### **Item 2 – Identity of the Acquiror**

##### **2.1 State the name and address of the acquiror.**

Mr. Eric Krafft, with an address at 4, Rue de la Turbie, 98000 Monaco.

##### **2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On August 7, 2020, LEM closed a private placement financing (the “**Private Placement**”) pursuant to which Mr. Eric Krafft acquired ownership and control over 24,150,000 Units (each a “**Unit**”) of LEM at a price of CAD\$0.11 per Unit. Each Unit is comprised of one common share in the capital of LEM (the “**LEM Shares**”) and one common share purchase warrant in the capital of LEM (the “**LEM Warrants**”). Each LEM Warrant entitles Mr. Krafft to acquire one LEM Share at a price of CAD\$0.20 per LEM Share until August 7, 2024.

##### **2.3 State the names of any joint actors.**

Not applicable

### **Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s security holding percentage in the class of securities.**

24,150,000 Units acquired by Mr. Krafft representing approximately 16.49% of the issued and outstanding shares of LEM, on a non-diluted basis, and 28.31% on a partially diluted basis. See item 3.4.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

Mr. Eric Krafft acquired ownership and control over the Units. See item 2.2.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror’s security holding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Prior to the Acquisition, Mr. Krafft held 22,554,404 Common Shares of LEM, representing approximately 19.70% of the then issued and outstanding Common Shares of LEM and 15,500,000 Warrants. Assuming exercise of the Warrants held by Mr. Krafft only, Mr. Krafft would have control or direction over 38,054,404 Common Shares or 29.28% of the then issued and outstanding Common Shares of LEM.

As a result of the Acquisition, Mr. Eric Krafft owns and controls 46,704,404 Common Shares of LEM, representing approximately 31.89% of the issued and outstanding Common Shares of LEM and 39,650,000 Warrants. Assuming exercise of the Warrants by Mr. Krafft only, Mr. Krafft would have control or direction over 86,354,404 representing 48.38% of the issued and outstanding common shares of the Company.

**3.5 State the designation and number or principal amount of securities and the acquiror’s security holding percentage in the class of securities referred to in Item 3.4 over which**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.4 above.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's security holdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

CAD\$0.11 per Unit for total cash consideration of CAD\$2,656,500.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Please see paragraph 4.1 above.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

**(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

Mr. Eric Krafft acquired the Units for investment purposes and has a long-term view of his investment. In the future, Mr. Krafft may take such actions in respect of his investment in the Company as he may deem appropriate, depending on the market conditions and circumstances at that time.

**(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable.

**(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

**(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

**(e) a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) **a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**

Not applicable.

- (j) **a solicitation of proxies from securityholders;**

Not applicable.

- (k) **an action similar to any of those enumerated above.**

Not applicable.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: August 10, 2020

*“Eric Krafft”*

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Mr. Eric Krafft