

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Leading Edge Materials Corp. (the “Company”)
#1305 - 1090 West Georgia Street
Vancouver, British Columbia
V6E 3V7

Item 2 Date of Material Change

October 6, 2021

Item 3 News Release

A news release dated October 6, 2021 was disseminated to the TSX Venture Exchange and through various other approved public media and filed on SEDAR with applicable securities commissions.

Item 4 Summary of Material Change(s)

The Company announced that its 100% owned Swedish subsidiary Woxna Graphite AB (“Woxna”) has signed a non-binding Heads of Agreement (the “MOU”) with Sydney, Australia, based Sicona Battery Technologies Pty Ltd (“Sicona”). The MOU lays out the path for the establishment of a Sweden based 50/50 Joint Venture (the “JV”) targeting the production of advanced natural graphite and silicon-graphite-carbon composite active anode materials using natural graphite from the Woxna Graphite mine as feedstock to offer the European lithium-ion battery manufacturing industry a secure and sustainable supply of high-performance anode materials.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The JV is a direct fit for the fully built and permitted Woxna Graphite mine in Sweden and plans for a vertically integrated production from mine to active anode materials utilizing a low carbon footprint thermal purification process, as recently reported in a Preliminary Economic Assessment study. (see press releases dated June 9, 2021 and July 26, 2021) The Company believes that the existing mine and developed downstream processes together with Sicona’s innovative technology offers the opportunity to deliver a secure and sustainable supply of high-performance battery materials for the European battery industry.

Sicona is commercialising innovative silicon-graphite-carbon composite anode and binder technology and materials that have been developed over the last ten years at the Australian Institute for Innovative Materials at the University of Wollongong and now owned by Sicona (the “IP”). Sicona has reported that its current generation silicon-graphite-carbon composite materials deliver 50 to 100% higher capacity than conventional graphite anode materials. Sicona recently raised AU\$3.7m from leading venture capital and private equity investors to accelerate pilot manufacturing and commercial deployment of Sicona’s innovative battery materials.

The MOU lays out certain work packages with the ultimate objective being a Sweden based advanced anode materials production facility targeting an annual production of up to 20,000 tonnes per year of multiple active anode materials products using Woxna graphite feedstock and other complementary suitable feedstocks such as externally sourced silicon and other carbon or graphite materials utilizing Sicona's significant proprietary IP and know-how.

Key points of the JV as envisioned in the MOU;

- The establishment of a Swedish corporation owned 50/50 by the Company and Sicona to operate the JV out of Sweden;
- The design, funding and launch of a 500 tonnes per annum stage 1 commercial demonstration plant at a suitable location from the Woxna Graphite mine to produce multiple active anode materials products for advanced customer qualification trials;
- Appropriate feasibility study for a 7,000 to 20,000 tonnes per annum full scale commercial production facility;
- Funding, building and operation of a full scale commercial production facility;
- Woxna to enter an offtake agreement with the JV to sell it all of its graphite concentrate production on a graphite related all in cost basis plus a 30% margin, with a cap at the price equivalent to an appropriate graphite pricing benchmark less 15% (the "Off-take Agreement");
- The JV to be granted a non-exclusive, non-transferable, non-sublicensable license for Sicona's IP to produce carbon coated graphite based and silicon-graphite-carbon based active anode materials (the "License Agreements");
- JV to retain exclusivity over the IP in Sweden, with additional timelines proposed to prohibit the licensing of the IP within Europe to other parties; and
- A twelve month exclusivity period during which Woxna and Sicona are prohibited from soliciting alternative transactions to the proposed JV and must deal exclusively with each other (the "Exclusivity Provision").

The establishment of the JV is subject to the Company and Sicona entering into a definitive binding joint venture agreement governing the Swedish JV corporation (the "Definitive Joint Venture Agreement", and together with the Off-take Agreement and the License Agreements, the "Definitive Agreements"), the Off-take Agreement and the License Agreements and completion of satisfactory due diligence and receipt of all necessary board and regulatory approvals

Woxna owns the fully-built and permitted Woxna Graphite mine in central Sweden, one of few existing operations of its kind in the western-world. Over the last years the Company has developed the required processes to use the graphite concentrate from Woxna as a feed-stock for sizing, shaping and purification, ultimately producing a spherical ultra-high purity natural graphite material suitable for use in lithium-ion battery

anodes. The Company has chosen a thermal purification technology which offers the opportunity for improved performance and in addition a very low carbon footprint due to having access to hydropower and renewable electricity sources.

Other than the Exclusivity Provision and certain other standard provisions relating to confidentiality, expenses and governing law, the MOU is non-binding in nature and neither the Company nor Sicona are under any obligation to enter into, or continue negotiations regarding, the Definitive Joint Venture Agreement. No binding agreement will exist between the Company and Sicona relating to a JV unless and until the Definitive Joint Venture Agreement has been finalized and executed. There is no assurance or guarantee that the Definitive Agreements will be executed or materialize.

The scientific, technical and economic information related to the Woxna Graphite project in this material change report 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..

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Filip Kozlowski, Chief Executive Officer
Tel: 604 685-9316

Item 9 Date of Report

October 16, 2021

Reader Advisory

This Material Change Report may contain statements which constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian securities laws, including predictions, projections and forecasts (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. Investors are cautioned that any such Forward-looking Statements is not a guarantee of future business activities and involves 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: 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 fact that the Woxna project has never defined a mineral reserve; risks relating to the preliminary and non-binding nature of the MOU; and the inability of the parties to satisfy the conditions precedent to the execution of the Definitive Agreements or ultimately agree on definitive terms. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the Forward-Looking Statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Forward-Looking Statements. Such Forward-Looking Statements has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.