

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

LEADING EDGE MATERIALS CORP. (the "Company")  
14th Floor - 1040 West Georgia Street  
Vancouver, British Columbia  
V6E 4H1

**Item 2: Date of Material Change**

August 23, 2023.

**Item 3: News Release**

The news release with respect to the material change referred to in this report was issued by the Company and distributed through the facilities of Newswire (Issuer Direct) on August 23, 2023. The news release was subsequently filed on SEDAR Plus and is available at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4: Summary of Material Change**

The Company completed the closing of the non-brokered private placement financing (the "Private Placement") previously announced on August 11, 2023. Pursuant to the Private Placement, the Company has issued 21,739,130 units (the "Units") at a price of C\$0.115 per Unit for aggregate gross proceeds of C\$2,500,000.

**Item 5: Full Description of Material Change**

**5.1 Full Description of Material Change**

On August 23, 2023, the Company completed the closing of the non-brokered private placement financing (the "Private Placement") previously announced on August 11, 2023. Pursuant to the Private Placement, the Company has issued 21,739,130 units (the "Units") at a price of C\$0.115 per Unit for aggregate gross proceeds of C\$2,500,000.

Each Unit will consist of one (1) common share (each, a "Common Share") in the capital of the Company and one (1) Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share (a "Warrant Share") at a price of C\$0.225 per Warrant Share until the date which is four (4) years from the closing date of the Private Placement (the "Closing Date").

Leading Edge Materials intends to use net proceeds for the Company's projects, located in Sweden and Romania and for general working capital and corporate purposes. A finder's fee of 7% was paid to arm's length third parties on a portion of the Private Placement. The Private Placement is subject to final approval from the TSX Venture Exchange (the "Exchange").

The securities issued pursuant to the Private Placement are subject to applicable statutory resale restrictions, including a hold period expiring on December 24, 2023, pursuant to applicable Canadian securities laws.

The Units sold in the Private Placement were offered by way of prospectus exemptions in Sweden. The minimum subscription and allotment amount for Sweden and the European Economic Area ("EEA") investors in the Private Placement was an amount equivalent to at least EUR 100,000.

Insiders of the Company purchased a total of 12,052,173 Units under the Private Placement which constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 based on the fact that neither the fair market value of the Units subscribed for by the insiders, nor the consideration for the Units paid by such insiders, exceeded 25% of the Company's market capitalization as determined in accordance with MI 61-101.

Mr. Eric Krafft, a director of the Company, has subscribed for and acquired 10,352,173 Common Shares under the Private Placement. Prior to the Private Placement, Mr. Krafft beneficially owned and controlled 62,204,404 Common Shares and 24,150,000 warrants of the Company. Mr. Krafft is a Control Person (as defined by the policies of the Exchange), beneficially holding 72,556,577 common shares and 34,502,173 warrants of the Company, representing approximately 38.75% of the issued and outstanding Common Shares on a non-diluted basis, and 45.92% on a partially diluted basis, assuming the exercise of warrants held by Mr. Krafft only. The Company obtained disinterested shareholder approval at the Annual General Meeting held on July 24, 2020 for Mr. Krafft to become a Control Person of the Company.

Eric Krafft has 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. The foregoing disclosure regarding Mr. Krafft's holdings is being disseminated pursuant to National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues (NI 62-103). A copy of Mr. Krafft's early warning report will appear on the Company's profile on SEDAR Plus. The information herein with respect to the number of Mr. Krafft's securities and his intention relating thereto are not within the knowledge of the Company and are provided by Mr. Krafft.

The securities have not been, and will not be, registered under the U.S. Securities Act, or any United States 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 United States state securities laws.

**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**

Eric Krafft  
Interim Chief Executive Officer  
Tel: +377 9797 8420

**Item 9: Date of Report**

August 28, 2023