LEADING EDGE MATERIALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED APRIL 30, 2023

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated June 21, 2023, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended April 30, 2023, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website www.leadingedgematerials.com.

Forward Looking Statements

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws (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. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, 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 Woxna project has never defined a mineral reserve or a feasibility study and the associated increased risk of technical and economic failure in case of restarting production; risks relating to the preliminary and non-binding nature of the MOU with Sicona.

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.

Corporate Overview

The Company was incorporated on October 27, 2010, under the *Business Corporations Act* (British Columbia) as Tasex Capital Limited. The Company's common shares began trading on the TSX Venture Exchange (the "TSXV") as a capital pool company on June 10, 2011. On February 22, 2012, the Company completed the acquisition of the Woxna Project and changed its name to Flinders Resources Limited. On August 25, 2016, the Company completed the acquisition of Tasman Metals Ltd. ("Tasman") and changed its name to Leading Edge Materials Corp. The Company's common shares trade on the TSXV as a Tier 1 mining issuer under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on Nasdaq First North Stockholm under the symbol "LEMSE" and on Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor, 1040 West Georgia Street. Vancouver, British Columbia V6E 4H1. The Company's strategy is focused on developing a portfolio of critical raw material projects located in the European Union. Critical raw materials are determined as such by the European Union based on their economic importance and supply risk. They are directly linked to high growth technologies such as batteries for electromobility and energy storage and permanent magnets for electric motors and wind power that underpin the clean energy transition towards climate neutrality. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), Norra Karr HREE project (Sweden) and the 51% owned Bihor Sud Nickel Cobalt exploration project (Romania).

As at the date of this MD&A the Board of Directors and Officers of the Company are:

Eric Krafft	- Director and Interim CEO
Manuela Balaj-Coroiu	- Corporate Secretary
Sanjay Swarup	- CFO
Lars-Eric Johansson	- Director and Non-Executive Chairman
Daniel Major	- Director

Mangold Fondkommission AB is the Company's Certified Adviser on Nasdaq First North.

Highlights During and After the Quarter

During the three months ended April 30, 2023:

- On March 1, 2023, the Company announced it identified extensive Co-Ni-mineralization 50 metres above the previously reported Gallery 7 at its Bihor Sud project in Romania.

Subsequent to April 30, 2023:

- On June 1, 2023, the Company announced in-situ assay results at over 30% Nickel and 4.7% Cobalt at Bihor Sud. Additionally, surface trench assay results indicate a zone of Pb-Zn-Ag mineralisation.

Outlook

Since our last quarterly update, we are pleased to see additional momentum on political and legislative levels in the European Union. These initiatives are of course all tied to themes around climate change, risk assessment of supply chains, dependance on other countries, etc. All of which are directly relevant to our activities, and where we feel we have an important role to play. Our decision to focus the Company on critical raw materials within the EU feels opportune.

Regarding the EU Critical Raw Materials Act, which was proposed this spring, we hear informal feedback from various sources that it is largely considered a sensible proposal. We can only agree, preferring free market mechanisms rather than making companies dependent on direct subsidies and such. As a reminder, the proposed legislation will require at least 10% of such designated critical raw materials to have been mined in the EU, and for member states to guarantee 24 months permitting process for projects deemed of strategic importance, all within very tight timelines.

Additionally, there are numerous other initiatives also highly relevant to us, for example:

- The EU Parliament has adopted new rules for the design, manufacture and recycling of all types of batteries sold in the EU.[1] The background to the content of the regulation, are the proposals for mandatory sustainability criteria for batteries. This is relevant to our Woxna graphite mine (only one in the EU), where we conducted a life cycle analysis to demonstrate its capacity to be an order of magnitude lower GHG emitter as a Swedish anode producer compared to most current Asian alternatives, presented in our 2021 PEA.[2]
- Proposals to beef up the European Net-Zero Industry Act.[3] This is relevant to the European wind power industry. Our Norra Karr project potentially plays a vital role in possibly making Europe self sufficient for some of the critical rare earth elements without which one can not manufacture the permanent magnets which go into wind turbine generators and electric motors. China has a near full control of these materials today.
- The German government plans to set up a state fund worth up to €2 billion ($2.2 billion) that will support mining of raw materials critical to the nation's green transition, with the aim of securing access and cutting reliance on China.[4]
- Along with the multi-billion France 2030[5] plan we have to conclude that there appears to be several alternatives emerging for European companies like ours to access funding to develop and build projects.

1. https://www.electrive.com/2023/06/14/eu-parliament-approves-comprehensive-battery-market-regulation/
2. See National Instrument 43-101 report entitled "NI 43-101 Technical Report – Woxna Graphite" prepared for Woxna Graphite AB with effective date June 9, 2021 and issue date July 23, 2021. See Leading Edge Materials Corp.'s SEDAR profile on www.sedar.com or www.leadingedgematerials.com for report and more information. The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.
3. https://windeurope.org/newsroom/press-releases/nzia-act-now-or-europes-wind-turbines-will-be-made-in-china/?ref=mainbanner
4. https://financialpost.com/pmn/business-pmn/germany-draws-up-e2-billion-state-fund-to-secure-key-commodities
5. https://www.economie.gouv.fr/france-2030

Politicians, supported by European citizens, certainly appear to walk the talk in terms of aligning with stated policy aims. What has surprised us is the speed with which these proposals are suggested and rapidly debated to get implemented in short order. It seems everyone is aware and committed to deal with the multiple crises we find ourselves in the middle of: climate change, war in Europe, energy crisis, dependance on Asian supply chains, etc.

We are pleased that we have managed to position the Company at the point where these trends converge providing a convex exposure to events taking place around us.

Our built and permitted Woxna graphite mine and plant continues to be meticulously kept on care and maintenance. As reported, we are evaluating a restart of the mine to initially produce graphite concentrate, as the first step to developing a downstream anode business. Market signals are obviously important to guide us as to when to restart.

The massive forecast demand-supply imbalance of graphite appears one of the most attractive investment cases of any of the battery materials.[6] However, natural flake graphite prices have so far (along with many other commodities) come down over 20% this year.[7] This suggests that we are not yet at the point where relatively inelastic demand from nascent giga factories meets the tight current supply. With economic slowdown in China, graphite demand as refractory material has also decreased. We are of course monitoring this with interest, bearing in mind price action in Cobalt a few years ago, or Lithium last year.

We believe having a built and permitted graphite mine, in an excellent jurisdiction with proximity to infrastructure and the many new giga factories gradually coming on line is the most compelling exposure one can have set to benefit from this imbalance. Given the EU Critical Raw Materials Act and the numerous other initiatives, the strategic importance, value and scarcity of Woxna is enhanced in our opinion.

For the Norra Karr project, we took the decision to initiate a Natura 2000 permit application process. By doing this based on the new design of the Norra Karr project we will benefit from authorities and other stakeholders evaluating the merits of the project based on the most recent plans that substantially reduce the potential for environmental risk. In parallel, through the various environmental and metallurgical studies that may be required to support the Natura 2000 permit application the Company can further progress the Norra Karr project towards its next stages of feasibility development. We will continue to adapt our path should the legal framework evolve going forward. Aspects of the proposed EUCRMA appear particularly relevant to this project.

As reported, continued work at our Bihor Sud Ni-Co exploration project in Romania has been progressing very encouragingly. Since having received permission to enter underground galleries in January, this has been advancing rapidly. Results have been encouraging: in the first target gallery G7 we have encountered visual Co-Ni mineralisation over 135 m. Additionally, further extensive Co-Ni mineralisation has been identified in G4, 50 m above and in the cross cut and raise connecting these two galleries. This indicates that we are potentially encountering sizeable systems with good potential.

High levels of radon gas readings resulted in time needing to be taken to design, order and have a ventilation system installed. While this was done, we took the opportunity to dig and sample five exploration trenches. As communicated, in situ samples from gallery walls reported 30% Ni and 4.7% Co. And the trenches have yielded very encouraging results with apparently important Pb-Zn-Ag mineralization continuously over 1 km strike. Basically, we are reassured that these latest results continue to confirm our prior stated beliefs and that this truly is an incredible exploration project with scale and high grade potential.

Now that ventilation has been successful installed in G4, additional ventilation will be added to G7. The company can now engage in its planned underground channel sampling program and follow up on planning an underground drilling program.

[6] https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary
[7] https://www.fastmarkets.com/commodity-price/graphite-flake-94-c-100-mesh-fob-china-mb-gra-0042

Financial Information

The report for three months ending July 31, 2023, is expected to be published on or about September 20, 2023.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

	Fiscal 2023		**Fiscal 2022**				**Fiscal 2021**	
Three Months Ended	April 30, 2023 $	January 31, 2023 $	October 31, 2022 $	July 31, 2022 $	April 30, 2022 $	January 31, 2022 $	October 31, 2021 $	July 31, 2021 $
Operations								
Expenses	(1,048,182)	(570,549)	(425,075)	(419,050)	(433,894)	(1,874,407)	(583,391)	(600,531)
Other items	(187,421)	(66,586)	308,721	(190,659)	(356,226)	(219,942)	28,466	(477,057)
Comprehensive profit/(loss)	(1,235,603)	(637,135)	(116,354)	(609,709)	(790,120)	(2,094,349)	(554,925)	(1,077,588)
Basic Profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)
Diluted profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)
Financial Position								
Working capital	1,344,044	2,124,643	1,365,657	1,686,095	2,396,484	3,236,870	2,350,166	2,803,903
Total assets	24,181,654	24,845,430	23,832,418	24,827,062	25,000,847	30,597,341	28,756,406	28,455,148
Total non-current liabilities	(5,404,808)	(5,556,603)	(5,292,618)	(6,159,922)	(6,045,964)	(10,812,012)	(9,946,686)	(9,054,376)

Results of Operations

Three Months Ended April 30, 2023, Compared to Three Months Ended January 31, 2023

During the three months ended April 30,2023 ("Q2 2023") the Company reported a net loss of $1,235,603 compared to a reported net loss of $637,135 for the three months ended January 31,2023 ("Q1 2023"), an increase in loss by $598,468, the increase in loss mainly due to share-based compensation related to granting of stock options under the Company's stock option plan of $710,563 in Q2 2023 compared to share-based compensation of $97,029 in Q1 2023.

Three Months Ended April 30, 2023, Compared to Three Months Ended April 30, 2022

During the three months ended April 30, 2023 ("2023 period"), the Company reported a net loss of $1,235,603 compared to a net loss of $790,120 for the three months ended April 30*, 2022* ("2022 period"), an increase in loss of $445,483, the increase in loss mainly due to share-based compensation of $710,563 (2022 period-$Nil), foreign exchange loss of $187,455 (2022 period -$4,483), mark to market loss of $22,178 (2022 period - $357,800).

Specific expenses of note during three months ended April 30,2023 are as follows:

(i) incurred $45,177 (2022 - $98,373) for directors and officer's compensation.
(ii) incurred $42,364 (2022 - $59,399) for listing and regulatory fees with respect to ongoing fees for the Company's listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
(iii) incurred a total of $51,960 (2022 - $45,552) for accounting and audit out of which the Company incurred $14,540 (2022 - $11,740) for accounting services of SKS Business Services along with $14,868 (2022 - $12,928) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
(iv) incurred research, development and general exploration expenses of $29,664 (2022 - $25,393);
(v) incurred $37,590 (2022 - $57,303) in costs for operations.

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended April 30,2023 the Company reported interest income of $15,040 compared to $4,183 during the three months' ended April 30,2022.

During the three months ended April 30,2023, the Company recorded a foreign exchange loss of $187,455 due to changes in exchange rates, compared to a loss of $4,483 during the three months ended April 30,2022.

Financings

During three months ended April 30,2023, no options and warrants were exercised.

4,700,000 stock options were granted at an exercise price of $0.195 during the three months ended on April 30, 2023.

During six months ended April 30, 2023, 13,000,000 warrants were exercised for gross proceeds of $1,300,000.

4,700,000 stock options were granted at an exercise price of $0.195 and 700,000 stock options were granted at an exercise price of $0.20 during the six months ended on April 30,2023.

Financial Condition / Capital Resources

During the three months ended April 30, 2023, the Company recorded a net loss of $1,235,603 as of April 30, 2023, the Company had an accumulated deficit of $46,587,540 and working capital of $1,344,044. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs and is conducting ongoing research and development to produce higher value specialty products. The Company is also evaluating a potential restart of production at the Woxna Graphite Mine. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations at the Woxna Graphite Mine, establish a production facility for the Anode Project, to fund future development of the Norra Karr Property or to complete exploration activities in Romania. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations. See also "COVID-19".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's critical accounting estimates is included in Note 3 to the October 31,2022 audited annual consolidated financial statements.

Changes in Accounting Policies

There is no change in accounting policy during the three months ended October 31,2022.

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the October 31,2022 audited annual consolidated financial statements.

Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's current and former Board of Directors and its executive officers.

(a) During the six months ended April 30, 2023 and 2022 the following compensation was incurred:

	2023 $	2022 $
Mr. Eric Krafft, Interim CEO and director (1)	15,200	15,000
Mr. Lars-Eric Johansson, Chairman and director (1)	15,200	15,000
Mr. Daniel Major, director (1)	15,209	15,000
Mr. Sanjay Swarup, CFO (3)	18,913	15,933
Ms. Manuela Balaj-Coroiu, Corporate Secretary (4)	25,200	-
Mr. Filip Kozlowski, Former CEO and former director (1)	-	137,106
	89,722	198,039

(1) Lars-Eric Johansson, Daniel Major and Eric Krafft were appointed as new Directors on May 4, 2020. Concurrently, a change in senior management was announced with the appointment of Mr. Filip Kozlowski as Chief Executive Officer ("CEO") who had resigned as a Director on the same date. On August 30, 2022 Filip Kozlowski resigned from the post of CEO effective on October 14, 2022 with Eric Krafft taking over as interim CEO.
(2) Mr. DeMare, the Company's ex CFO, ceased as Corporate Secretary on April 28, 2022.
(3) Mr. Sanjay Swarup of SKS Business Services has been appointed as CFO from March 1, 2021.
(4) Ms. Manuela Balaj-Coroiu of Cohesion Consulting Group Inc has been appointed as a Company Secretory of the on April 28, 2022.

(b) During the six months ended April 30, 2023, the Company incurred $29,046 (2022 - $23,571) for accounting services of SKS Business Services.

(c) In addition, during the six months ending April 30,2023 and 2022 the company incurred share-based compensation for key management personnel as follows:

	2023 $	2022 $
Mr. Eric Krafft	308,767	222,100
Mr. Lars-Eric Johansson	154,384	222,100
Mr. Daniel Major	154,384	222,100
Ms. Manuela Balaj-Coroiu	43,161	-
Mr. Sanjay Swarup	15,438	-
Mr. Filip Kozlowski	-	399,778
	676,134	1,066,078

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As of June 21, 2023, there were 165,523,533 issued and outstanding common shares, 36,079,286 warrants outstanding with exercise prices ranging from $0.10 to $0.20 per share and 12,150,000 share options outstanding with exercise prices ranging from $0.155 to $0.62 per share.