Leading Edge Materials Corp

President's Report to the Shareholders

I am pleased to present the President's Report for the 6th year of operation.

The Company's 100%-owned Woxna plant remains in an operation ready status, running periodically as required to produce concentrate for various battery material test programs. The Woxna plant is fully operational, permitted and ready for feeding a flotation concentrate into a high purity production process to produce lithium ion battery cell anode materials. The Company has been focused on developing the high purity process to upgrade the Woxna graphite concentrate to meet the product specifications for lithium ion battery anode materials.

The last 12 months continues to be very busy as the Company has seen a great deal of progress on a number of fronts.

1) The listing of LEM shares on Nasdaq Stockholm First North was completed and we commenced trading in late January. The exposure to the Swedish market is going well to date.

2) Discussions have continued with customers in Europe and the company remains optimistic that we will grow these discussions into meaningful supply chain relationships. The most noteworthy is the announcement of the project the Company is working with Northvolt to define the supply chain for their proposed battery cell manufacturing plant in Sweden.

3) The Company completed the maiden drill program on the Bergby lithium project. The program totaled 1525m of drilling in 33 drillholes to a maximum depth of 131.1m over an approximate 1500m strike length. The results were very promising for this discovery with grades ranging from 1.25% to over 2% for some intervals.

4) LEM is a partner in four Swedish and EU funded projects.
   a) Vinnova Graphene Energy Project – partners in the project are 2D fab AB, VestaSi AB, Ångström Advanced Battery Centre (ÅABC), Uppsala University (UU) and Mid Sweden University (MIUN). Objective is to use graphene from the Woxna graphite facility to enhance the electrical conductivity and to enhance the mechanical strength of the anode
   b) Vinnova High Purity Graphite Battery Project – founding partner in the project, along with the Ångström Advanced Battery Centre ("ÅABC"), Uppsala University, Sweden. Focused on the application and optimization of high purity natural graphite as anode material for lithium ion batteries, using graphite sourced from Woxna
   c) InnoEnergy Li Ion Battery Manufacturing Project – partnered with Northvolt AB as a part of an innovation project for the establishment of a Large Scale Battery Manufacturing Project in Sweden
   d) Vinnova Graphene Composite Project – Graphene Modified Composites for Long-Term and High-Temperature Applications – The project focus is on aerospace and aeronautic applications, and aims to develop graphene modified polymeric materials using graphite sourced from Woxna

5) We continue to work through the Norra Karr Mining Lease application process with the Swedish authorities and look forward to finalizing it. Norra Kärr can potentially supply numerous innovation-critical metals and minerals, for which the European Union is currently import dependent. We look forward to continuing our research to add value to this large and strategic project

It has been a busy twelve months for the company both internally through various R&D initiatives and drilling and externally by seeking out other cobalt and lithium assets to grow our portfolio of specialty battery materials.

The company participated in the EU battery Alliance as an active raw material industry representative within the EU Battery Alliance, which is comprised of more than 50 of Europe's strongest corporate voices within the

emerging lithium ion battery sector, plus numerous support and government agencies. The EU Battery Alliance was directed to identify a strategic plan to accelerate the installation of large-scale battery cell production capabilities in Europe. European Commission research estimates that by 2025, the European battery market will have an annual value in the order of €250 billion, reflecting approximately 200 GWh of energy storage capacity per year

For the past 12 months we have also seen a significant rise in the coverage by media on the transition to a low-carbon economy. The materials for this change is gaining greater attention which shows no indication of slowing down. With companies like Volkswagen, Volvo and other auto manufactures indicating a significant shift towards Electric Vehicle manufacturing the company believes it is well positioned to take advantage of this new market for battery materials.

The Company is very well placed to sustainably supply the new materials required for this new age of power generation, through investments in both primary material supply, processing technology and recycling. There is not any meaningful cell manufacturing in Europe as of today, so the primary challenge for the company is to align ourselves with the future manufacturers to establish our position in their future supply chain.

On behalf of the Board of Directors, I would like to thank all our team for the work undertaken this last 12 months as we continue to be very busy on the many fronts we are working on. I would also like to thank our shareholders for their support during the last year. I continue to be very optimistic of the future of our business and the ability to participate in the emerging energy storage markets.

"Blair Way"

Blair Way
President and CEO
Vancouver, British Columbia, Canada,
March 2018

Forward-Looking Information. This report may contain forward-looking statements and information based on current expectations. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Such statements include but are not limited to, the Company's expectations regarding graphite production at Woxna, the Company's preliminary economic assessment on Woxna is no longer current or valid as a result of the filing of a new NI 43-101 Technical Report effective March 24, 2015, and the Company has no plans to complete a new preliminary economic assessment, a pre-feasibility or feasibility study on the project, as such there is an increased risk of technical and economic failure for the Woxna graphite project; timing of commencement of additional drilling at the Bergby lithium project, unexpected geological conditions; exploration activities to advance other critical material projects of the Company for energy storage markets, delays in obtaining or failure to obtain necessary permits and approvals from government authorities. Although such statements are based on management's reasonable assumptions, there are risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.