Leading Edge Materials

Woxna testwork strengthens restart potential

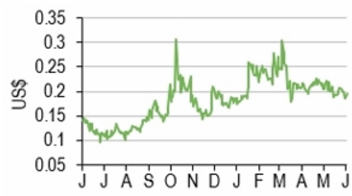
Project update

Metals and mining

11 June 2026

Price	**$0.19**
Market cap	**$48m**
Code	LEMIF
US market	OTCQB
Underlying exchange	TSXV

Price performance



Leading Edge Materials (LEM) has reported encouraging metallurgical testwork from its 100%-owned, fully permitted Woxna natural flake graphite mine in Sweden. The programme demonstrated strong large-flake retention and confirmed a practical purification route capable of producing high-purity graphite for premium industrial and battery applications without an energy-intensive pre-heating step. We view the results as an important technical de-risking step for Woxna, which at present remains excluded from our valuation pending further optimisation and engineering work. Our valuation of LEM continues to be driven by the flagship Norra Kärr heavy rare earth elements (HREE) project, valued at US$0.9bn on a 50% risked basis.

Year end	Revenue ($m)	EBITDA ($m)	PBT ($m)	EPS ($)	P/E (x)
10/24	0.0	(1.8)	(2.0)	(0.01)	N/A
10/25	0.0	(2.3)	(2.3)	(0.01)	N/A
10/26e	0.0	(2.4)	(2.4)	(0.01)	N/A

Note: PBT and EPS as reported

The testwork programme, undertaken by specialist contractor ProGraphite, assessed dry VeRoLiberator milling, flotation and purification on stockpiled Woxna ore. VeRoLiberator was tested as a low-energy milling route to liberate graphite while preserving large flakes, a key value driver in premium graphite markets. Initial flash flotation produced a concentrate grading 94% LOI, with large flakes accounting for more than 50% of the material. Performance was below historical expectations, but this appears to reflect the use of oxidised stockpiled ore and milling settings configured to favour flake retention rather than maximum liberation. This leaves scope for improved flotation performance using freshly mined ore and further process optimisation.

In our view, the main commercial read-through came from the purification work. ProGraphite confirmed that a two-stage process combining a sodium hydroxide bake with hydrochloric acid leaching can produce high-purity graphite. The highest-purity result was 99.99% LOI using pre-heating, but the more relevant commercial result was the 99.96% LOI achieved without the additional pre-heating step, given the potential energy savings and a similar impurity profile. While further optimisation is required, the results provide a stronger technical basis for ongoing restart and engineering studies.

Woxna is one of Europe's few fully built and permitted natural flake graphite operations. With global natural flake graphite demand forecast to more than double by 2035, expected deficits in battery-grade feedstock and China's dominance of natural graphite supply and anode refining are increasing the focus on supply-chain diversification. Against this backdrop, Woxna offers LEM a low-carbon, European graphite option alongside Norra Kärr.

Our valuation of LEM is based on the Norra Kärr project, with an unrisked net present value of US$1.8bn at a 10% discount rate, or US$0.9bn on a 50% risked basis. Conservatively, we continue to assign no value to Woxna. However, the latest testwork makes the graphite option more tangible and could support revisiting our valuation of LEM as the company advances further optimisation, engineering work and, potentially, an updated restart study.

Business description

Leading Edge Materials is a Canadian public company focused on developing a portfolio of critical raw material projects within the European Union, including: in Sweden, the 100% owned Norra Kärr heavy rare earth element project, recognised as one of Europe's most significant deposits of heavy rare earth elements crucial for permanent magnets, and the 100% owned Woxna Graphite mine; and, in Romania, the Bihor Sud Nickel-Cobalt exploration alliance.

Analyst

Andrey Litvin +44 (0)20 3077 5700

mining@edisongroup.com

Edison profile page

Leading Edge Materials is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by Leading Edge Materials and prepared and issued by Edison, in consideration of a fee payable by Leading Edge Materials. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom