EDISON

Leading Edge Materials

Pilot programme advances technical de-risking

Project update

Metals and mining

21 July 2026

Leading Edge Materials (LEM) has commenced domain sampling to produce a new high-grade eudialyte concentrate for planned pilot-scale hydrometallurgical testing at its 100%-owned Norra Kärr heavy rare earth elements project in Sweden. The programme will evaluate the pre-treatment route incorporated in the 2021 preliminary economic assessment (PEA), with a focus on silicate management, process performance, cost optimisation and scale-up. We view pilot testing as an important step in the technical de-risking of Norra Kärr, providing additional data to support the updated pre-feasibility study (PFS) and ongoing offtake discussions.

Year end	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (C$)	P/E (x)
10/24	0.0	(2.4)	(2.7)	(0.01)	N/A
10/25	0.0	(3.2)	(3.2)	(0.01)	N/A
10/26e	0.0	(3.4)	(3.4)	(0.01)	N/A

Note: PBT and EPS as reported

LEM is using its existing drill-core library to undertake domain sampling, which will be followed by mineral processing to produce the eudialyte concentrate required for the planned extended pilot programme. The same processing campaign will generate nepheline syenite for customer trials, supporting further assessment of one of the project's principal by-product streams.

The pilot programme will test the pre-treatment approach used in the 2021 PEA to manage silicates during leaching. If not adequately controlled, dissolved silicates can form a gel that impairs process performance and metal recovery. Laboratory-scale testing on Norra Kärr material has produced encouraging results, while the planned pilot work is intended to generate the larger-scale performance and cost data required to refine the hydrometallurgical flowsheet. In our view, this targets one of the principal technical uncertainties identified in our initiation report.

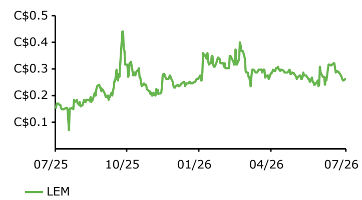
The processing strategy remains consistent with the reduced-footprint development concept set out in the PEA. Mine-site processing would be limited to crushing, grinding and magnetic separation, producing a eudialyte concentrate for transport to a separate midstream hydrometallurgical facility at an established industrial location. This maintains a relatively small footprint at Norra Kärr and positions chemical processing close to the required infrastructure.

The programme will also benefit from LEM's collaboration with RISE under the SEK1.5m SHLENK project, focused on silicate management in the leaching of Norra Kärr eudialyte. SHLENK is one of two projects involving LEM to receive Swedish government support through Vinnova. Although the direct funding is modest relative to overall project requirements, it provides external technical support and further recognition of Norra Kärr's relevance to Sweden's critical raw materials strategy.

Norra Kärr remains LEM's principal value driver and one of Europe's most advanced potential sources of dysprosium, terbium and yttrium. Our valuation of LEM is based on Norra Kärr, with an unrisked net present value of US$1.8bn at a 10% discount rate, or US$0.9bn after applying a 50% risk weighting. We continue to assign no value to Woxna. Progression towards pilot-scale validation represents an important technical milestone. We expect to update our valuation as the programme and updated PFS provide greater visibility on processing performance, costs and scale-up. Successful pilot validation would further derisk the project and support offtake and strategic partnership discussions.

Price	**C$0.27**
Market cap	**C$68m**
Net cash/(debt) at end April 2026	C$0.6m
Shares in issue	257.5m
Free float	60.0%
Code	LEM
Primary exchange	TSXV
Secondary exchange	OTCQB

Share price performance



Business description

Leading Edge Materials is a Canadian-listed developer of critical raw material assets in the European Union. Its principal asset is the 100%-owned Norra Kärr heavy rare earth element project in Sweden, one of the few advanced EU projects capable of producing dysprosium, terbium and yttrium at meaningful scale. The company also owns the fully constructed and permitted Woxna graphite mine in Sweden and a 90% interest in the Bihor Sud nickel-cobalt-polymetallic exploration alliance in Romania.

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