

# Leading Edge Materials

## Woxna testwork strengthens restart potential

Project update

Metals and mining

11 June 2026

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 unrisks 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.

<b>Price</b>	<b>\$0.19</b>
<b>Market cap</b>	<b>\$48m</b>
Code	LEMIF
US market	OTCQB
Underlying exchange	TSXV

### Price performance



### 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.

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