EVOLUTION CAPITAL

Terra Metals Ltd | INITIATION REPORT | RESOURCES

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The Australian Bushveld

Terra Metals Ltd

We initiate coverage on Terra Metals Ltd (ASX:TM1) with a Speculative Buy and a **12-month target price** of **A$0.260/sh**, implying a **total shareholder return of ~108%.**

Dante is emerging as Australia's first Bushveld-style Ti-V-Fe-Cu-PGE discovery - a large, shallow, multi-commodity critical-minerals system with strong geological continuity, excellent metallurgy and substantial growth upside.

Investment Thesis

Our Base-Case Dante model: which uses only ~60% of the MRE - a 3.75Mtpa open- pit operation with downstream vanadium refining via an onsite SRL - delivers a post-tax NPV_{10} of A$654M (US$405M), a 22% IRR and 2.7 Year Payback from peak funding period.

Metallurgical Unique: Phase-1 Testwork shows Dante can split TiO2 & V2O5 into three clean products using conventional LIMS/WHIMS + flotation - a 1.81% V2O5 roast feed and a separate 40-50% TiO2 ilmenite con - reducing SRL Plant reagent intensity and improving operating-cost competitiveness versus traditional VTM projects.

3 High-Value Concentrates in 1 Flowsheet: The plant produces 802-1,256ktpa V-magnetite Con (2.0% V_2O_5), 580-791ktpa 50% TiO_2 ilmenite con, and 29-40ktpa Cu-Au-PGE con, providing diversified revenue from vanadium, titanium, copper, gold and PGMs.

Tier-1 Polymetallic System, Shallow & Scalable: Dante is Australia's first Bushveld-style Ti-V-Fe-Cu-PGE discovery: a large, flat-lying reef package within the Jameson Intrusion, mined via low-strip open pits.

Strong Institutional Backing From Top Natural Resource Investors: Register anchored by GEAR, Tribeca, M Resources (Matt Latimore) and Gold Quay Capital - providing technical credibility and capital depth.

Early Cash Flow from TiO2 + Cu-Au-PGM, then Vanadium Uplifts: Pre-SRL (2030-2033) cash flows are driven entirely by ilmenite and Cu-Au-PGE concentrate sales; from 2034 onward, vanadium becomes a major NSR contributor (~35-40% at steady state), structurally lifting margins as the project matures.

District-Scale Land Position, <10% of Trend Drilled: TM1 now controls 1,200 km^2 over the Jameson Layered Intrusion, with the 148 Mt MRE covering <10% of the mapped mineralised trend; Phase 3 drilling and the HRM acquisition extend the prospective strike to >80 km, underpinning credible upside towards ~250 Mt and beyond.

Proven discovery and execution team: Board and technical advisers include veterans of Bushveld-style systems and global project delivery (e.g. Dr Evan Kirby, Dr Scott Halley, Ken Lomberg), de-risking resource growth, metallurgy and future study workstreams.

Fully Funded Phase 3 Drill Campaign: Currently underway & targeting ~20,000m of drilling, the program is focused on resource expansion, new discoveries and proving distract-scale upside.

Massive Reef Discovery: A 58-59m thick titano-magnetite reef layer was intersected as part of the Phase 3 campaign (5-10x thicker than reefs used in 148Mt Resource), confirming that The Dante Project is prospective for industry-changing discoveries.

Sum-of-the-Parts Valuation Summary

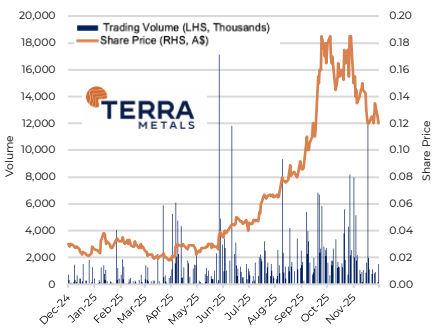
Sum-of-the-Parts Valuation	Value (A$M)	NAV/sh (A$/sh)
Dante Project NPV_{10}	654	0.737
+ Net Cash (PF)	16.4	0.018
- Corporate Adjustments	(12.3)	(0.014)
Equity NAV (Un-Geared)	658	0.742 A$/sh
Equity NAV (Un-Geared) – 35% Risk Factor		**0.260 A$/sh (108% TSR)**

Recommendation	**Spec. Buy**
Share Price	**A$0.125/sh**
12 Month Target	**A$0.260/sh**
TSR	**108%**

Company Profile

Market Cap	A$99M
Cash (Est.)	A$16.4M
Enterprise Value	A$83M
52-Week Range	A$0.017-0.200/sh

Price Performance



Company Overview

Terra Metals Ltd (ASX:TM1) is an Australian exploration company focused on developing a large-scale polymetallic minerals deposit. Its flagship asset, The Dante Project, is in the West Musgrave region of Western Australia.

Already having delivered an outstanding 148Mt Maiden MRE, TM1 is focused on increasing its resource through aggressive drilling campaigns, aspiring to replicate discoveries commonly found in South Africa's Bushveld Complex.

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Majority Shareholders

Golden Energy & Resources	17%
Tribeca Investment Partners	14%
Gold Quay Capital	8%
Mr Matt Latimore	5%
Directors and Management	4%

Upcoming Catalysts

Phase 3 Drilling Completion	H2 2025
Phase 3 Assay Results	H1 2026
Updated Dante MRE	H1-H2 2026
Phase 2 Met Study	H2 2026
Scoping Study	H2 2026

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1. Valuation

1.1 Sum-of-the-Parts Valuation Breakdown

We value Terra Metals using a project-level DCF based on free cash flow to the firm (FCFF). Cash flows from the Dante Project are modelled on an ungeared basis – after tax and sustaining/expansion capex, but before interest and principal repayments – and discounted at a **WACC of 10%.** Funding assumptions, including the use of project-finance debt, are applied separately as an overlay for dilution and leverage analysis and are not modelled via an explicit debt schedule in the base-case valuation. On this basis, the Dante Project generates an **NPV_{10} of A$654m** (100% basis), utilising only **60% of the current MRE**.

We add net cash, attribute no value to the Higginsville and Onslow project assets and deduct corporate adjustments to derive an **equity NAV of A$658m**, equivalent to A$0.737/sh on a fully diluted in-the-money share count of 887m shares. At the current share price of A$0.125/sh, **TM1 currently trades at an 83% discount (P/NAV = 0.17x)** to our NAV and offers 4.9x upside to our un-risked DCF valuation.

For our 12-month target price, we use our fully diluted NAV per share of A$0.737/sh as our estimate of intrinsic value and given the early-stage nature of the project we apply a **35% risk factor**. This yields a risked NAV of A$0.260/sh, which we adopt as our 12-month target price. This implies approximately **108% total shareholder return (TSR)** over 12 months from the current share price of A$0.125/sh and underpins our Speculative Buy recommendation.

Sum-of-the-Parts Valuation	Value (A$M)	NAV/sh (A$/sh)
Dante Project NPV10	654	0.737
+ Net cash	16.4	0.018
- Corporate adjustments	(12.3)	(0.014)
Total Equity NAV (Un-Geared)	658	0.742
Total Equity NAV (ungeared) – 35% Risk Factor		0.260 (108% TSR)

Table 1.1.1- Terra Metals Sum of Parts Valuation

1.2 Dante Project Valuation Summary

TM1's base-case mine schedule models 93Mt of inventory comprising **100% of Indicated** + **50% of Inferred resources**. The flowsheet centres on a 3.75Mtpa concentrator, which generates three saleable concentrates before feeding into a 900ktpa SRL Plant:

1. **Vanadium Concentrate (2.0% V_2O_5):** The concentrator delivers 802-1,246 ktpa (dry) of vanadium-magnetite concentrate grading 2.0% V_2O_5. This material is stockpiled ahead of the 900 ktpa Salt Roast Leach (SRL) Plant, enabling a buffered ramp-up once the SRL comes online. The concentrate meets industry specifications for downstream roast-leach conversion.

2. **Ilmenite Concentrate (50% TiO_2):** Dante produces a high-purity 580-791 ktpa (dry) ilmenite concentrate at 50% TiO_2. Ilmenite is a well-established traded product with strong offtake depth, providing meaningful early cash-flow leverage to the global TiO_2 feedstock market. Payability is typically linked to TiO_2 units, freight terms, and sulfate/chloride-route suitability-Dante's concentrate aligns with standard marketable specs.

3. **Cu-Au-PGM Sulphide Concentrate:** The sulphide flotation circuit produces 29–40 ktpa (dry) of Cu–Au–PGM sulphide concentrate, grading between 50% and 21% CuEq, equivalent to 14.4–8.4 ktpa of contained copper depending on the annual grade profile. This is a high-value, smelter-attractive concentrate with strong payabilities across copper, gold and PGMs, supported by clean metallurgy and a favourable impurity profile.

4. **V_2O_5 Flake (≥98%) / V_2O_5 Powder (≥99.5%):** The SRL is scheduled for commissioning in 2032, with first V_2O_5 flake production in 2033. At steady state, the plant is forecast to produce ~15 ktpa of V_2O_5 over a 28-year operating life. We model a 70% standard flake / 30% high-purity powder product split, consistent with marketability and premium differentials.

Under these assumptions, the project generates a **Post-Tax NPV_{10} of US$428M**, supported by a **22% post-tax IRR** and a payback of **2.7 years** from peak funding period in 2032.

Capital requirements are staged:

- **US$291M** Pre-production capital for the mine and 3.75Mtpa concentrator, timed for **2028 & completed in 2030**.
- **US$192M** for 900ktpa SRL Expansion Plant, timed for **2032 & completed in 2033**.

Summary Table	SS Avg. CuEq Con	SS Avg. 50% TiO_2 Con	SS Avg. 2.0% V_2O_5 Con	SS Avg. V_2O_5 Flake/Powder	SS Avg. FCF	Post-Tax NPV_{10}	IRR	Payback
	Ktpa	Ktpa	Ktpa	Ktpa	US$M	US$M	%	Years
Dante Project	29 - 40	580 - 791	802 - 1,246	15	172 - 101	428	22	2.7 [1]

[1] *Payback Period is calculated as 2.7 Years from Peak Funding Period (2032)*

Table 1.2.1 - Dante Project DCF Model Output Summary

Commodity Suite	Net Recovery	LOM Avg. Grade	Payability	Metal Price
V2O5 Powder (V2O5≥ 99.5%)	83.0%	N/A	100%	US$13,950/t
Copper	95.8%	0.19%	96%	US$10,300/t
V2O5 Concentrate (2.0%≥ V2O5)	91.0%	0.58%	100%	N/A
V2O5 Flake (V2O5≥98%)	83.0%	N/A	100%	US$10,200/t
Gold	75.8%	0.10 g/t	96%	US$3,200/oz
Platinum	74.4%	0.14 g/t	85%	US$1,200/oz
Palladium	74.4%	0.05 g/t	85%	US$1,100/oz
Ilmenite Concentrate (50% TiO2)	63.7%	15.5%	100%	US$280/t

Table 1.2.2 – Dante Project DCF Model Assumptions

1.3 Dante Cash Flow Analysis

Net revenue ramps in line with steady-state concentrate production from 2032 onward, with a further structural uplift following the commissioning of the SRL Plant in **2033**, which captures full downstream value in the V_2O_5 flake market. This shift materially enhances the revenue mix and drives EBITDA margin expansion as seen in Figure 1.3.1 Below.

Underlying EBITDA trends upward during the early operating period as the project reaches full utilisation across all three concentrate streams. Once stabilised, EBITDA remains resilient across the mid-life years, supported by:

- Consistent concentrate output from the 3.75Mtpa concentrator
- Stable operating costs underpinned by low-strip open-pit mining
- High-value vanadium flake and ilmenite pricing leverage
- Cu–Au–PGM by-product credits providing meaningful NSR support

AISC remains well-contained across the LOM, reflecting both Dante's favourable mining geometry and the low-cost nature of the magnetic separation flowsheet. The resulting margin stability through variable commodity cycles further strengthens the project's defensiveness and enhances the valuation multiple relative to single-commodity producers.

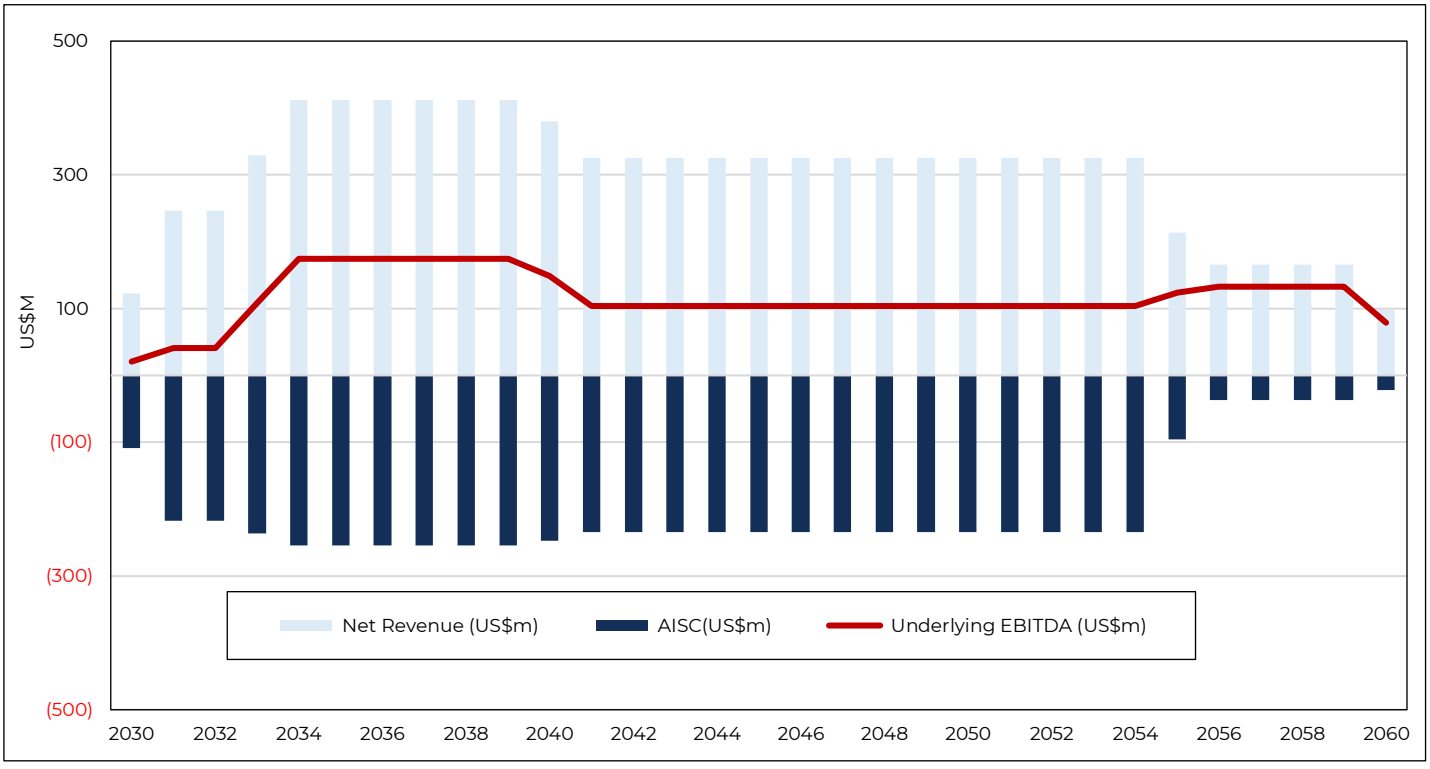

Figure 1.3.1 – Dante LOM Project Economics

The Dante Project demonstrates a robust cash-flow trajectory, as seen in Figure 1.3.2 with cumulative free cash flow inflecting sharply higher once the SRL is commissioned and vanadium flake production begins. Peak funding of **US$383m** is reached in late 2032, immediately prior to first commercial production.

From this point, the project transitions rapidly into positive cash flow, achieving payback in **2.7 years** (Approx Aug 2035) and delivering approximately **US$3.1bn in cumulative free cash flow** over the LOM.

The early years (2028–2033) show modest negative free cash flow associated with SRL construction, working capital build, and pre-production mining. However, once nameplate throughput is achieved, free cash flow stabilises at a consistent annual run-rate of **US$172M** for the Indicated years before dropping to **US$101M** in the inferred years, supporting a long, sustained cash-generation profile through to 2060.

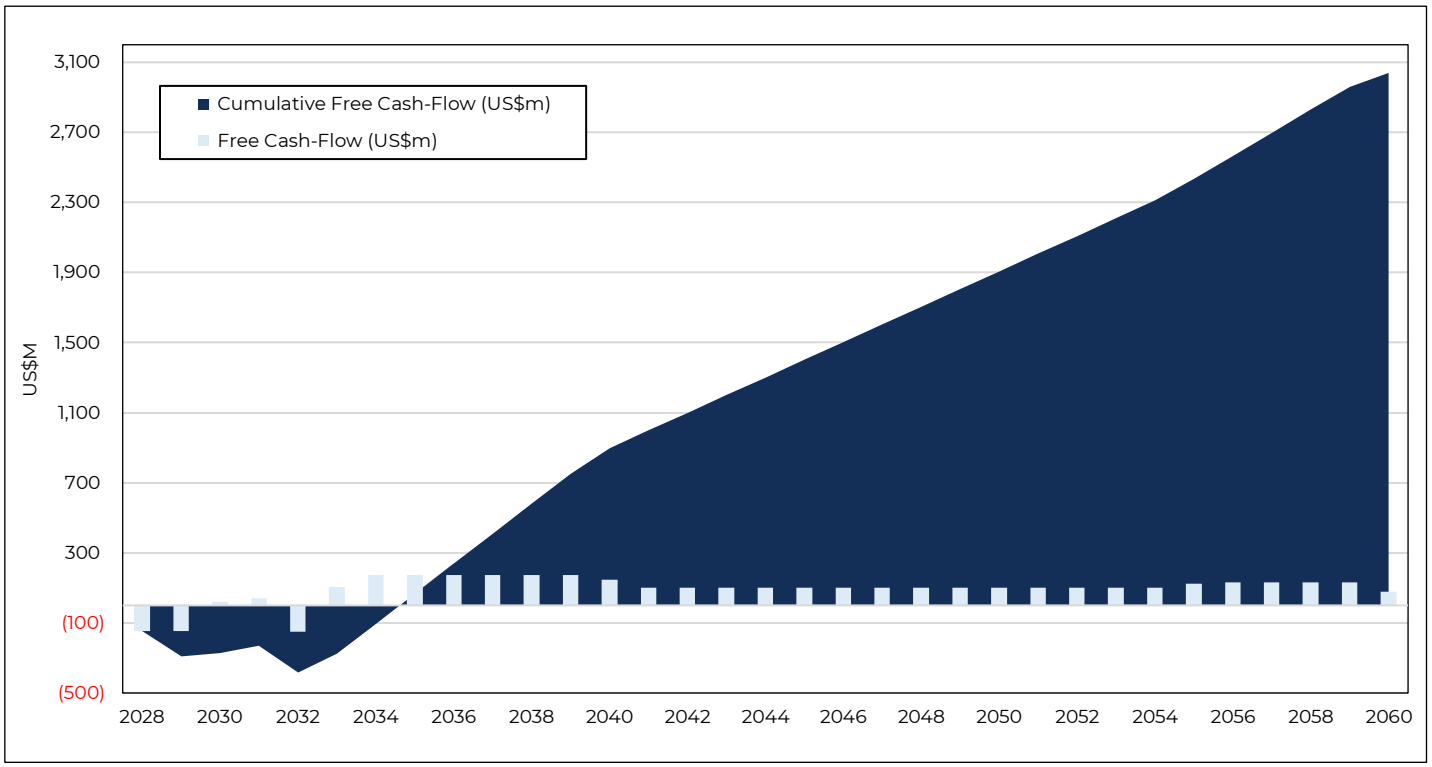

Figure 1.3.2 – Dante LOM Project Free & Cumulative Cash-Flow

1.4 Dante Project Mine Production Schedule

Our model front-loads higher-confidence tonnes, drawing down the 38 Mt of Indicated material between 2030 and 2040, before progressively depleting the remaining 55 Mt of Inferred inventory from 2040 to 2055. The breakdown between the two mining sequences & corresponding grades is shown below in Tables 1.4.1 & 1.4.2.

Utilisation	Class.	Ore (Mt)	V_2O_5 (kg/t)	TiO_2 (kg/t)	Cu (kg/t)	Au (g/t)	Pt (g/t)	Pd (g/t)
100%	**Indicated**	38	7.30	184	2.30	0.16	0.41	0.140
50%	**Inferred**	55	4.70	135	1.60	0.06	0.11	0.04
Grand Total		**93**	**5.76**	**155**	**1.89**	**0.10**	**0.23**	**0.08**

Utilisation	Class.	Ore (Mt)	V_2O_5 (kt)	TiO_2 (kt)	Cu (kt)	Au (koz)	Pt (koz)	Pd (Koz)
100%	**Indicated**	38	280	699	90.0	200	500	180
50%	**Inferred**	55	260	1,485	90	100	190	75
Grand Total		**93**	**540**	**2,184**	**180**	**300**	**690**	**255**

Tables 1.4.1 & 1.4.2- DCF utilised Grades and Dante Resource (100% Ind + 50% Inf)

Figure 1.4.1 below illustrates the staged evolution of the Dante Project's open-pit footprint across the 2030- 2055 LOM, based on a fixed 2:1 waste-to-ore strip ratio- consistent with the low-strip geometries typically observed in Bushveld-style layered intrusions.

Mining rates are assumed to align with the processing circuit, with the concentrator maintained at a steady 3.75Mtpa throughout the central operating period. This schedule prioritises Indicated tonnes during the first decade, before transitioning into the broader Inferred resource base. The approach provides a long, stable platform for concentrate production and underpins a consistent NSR profile through the mid-life years.

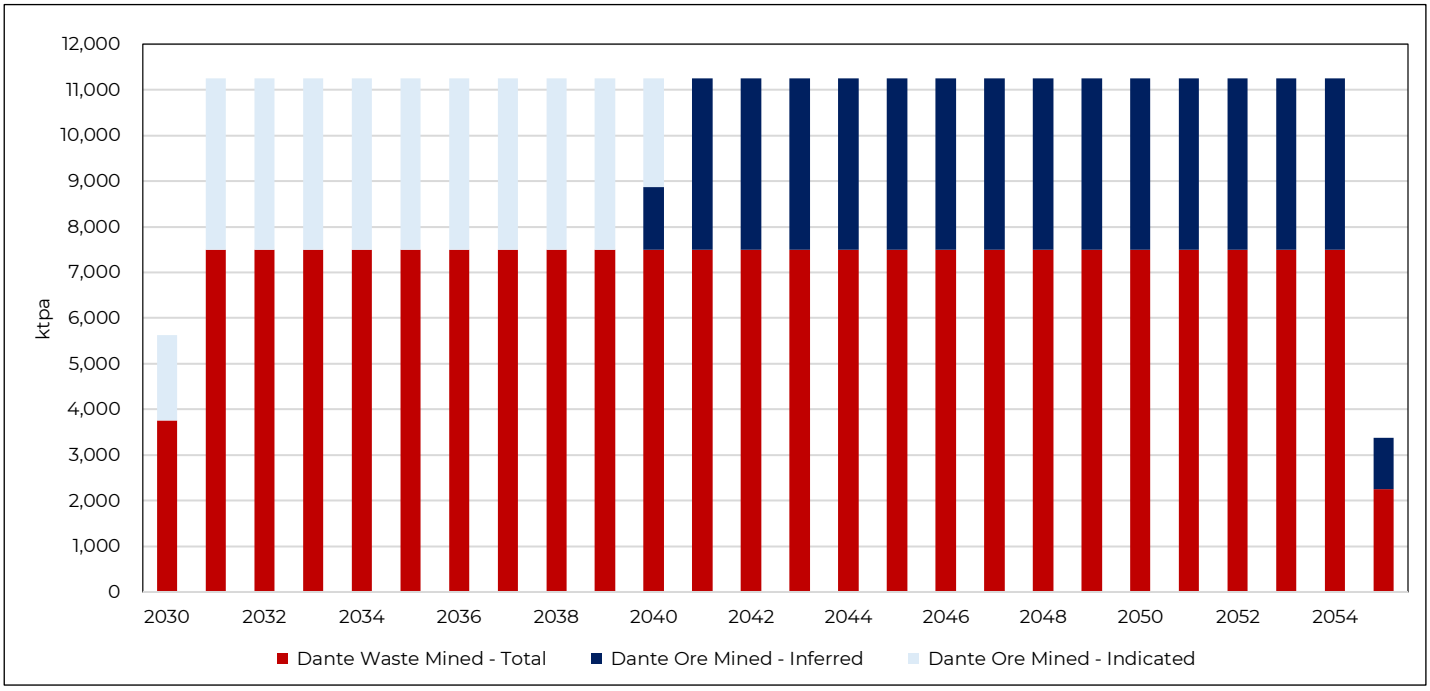

Figure 1.4.1 – Dante LOM Project Resource Mine Sequence/Schedule

1.5 Dante Project Concentrator Production Schedule

Concentrator production (Figure 1.5.1) highlights three distinct revenue streams. Across the central operating period (2031–2054), output remains broadly stable across all concentrates, supporting strong revenue diversification and reducing single-commodity risk.

- **Vanadium Concentrate (2.0% V_2O_5):** Production peaks at 1.25 Mtpa by 2040 before declining to 802 ktpa as the mine transitions into Inferred material. Output exceeds the 900 ktpa SRL capacity, necessitating a planned stockpile that facilitates a smooth SRL ramp-up from 2034.

- **Ilmenite Concentrate (50% TiO_2):** Volumes are steady at 791 ktpa to 2040, tapering to 580 ktpa in the Inferred years.

- **Cu–Au–PGM Concentrate:** Cu–Au–PGM concentrate production averages 31 ktpa (dry) at 50% CuEq through 2040, equivalent to 14.4ktpa of contained copper. As the mine transitions into higher-tonnage but lower-grade sulphide zones, output increases to 43 ktpa (dry) at 21% CuEq, containing 8.4ktpa of copper metal. The concentrate is clean, smelter-attractive and supported by payable gold and PGM credits, providing a robust NSR contribution throughout the mine life.

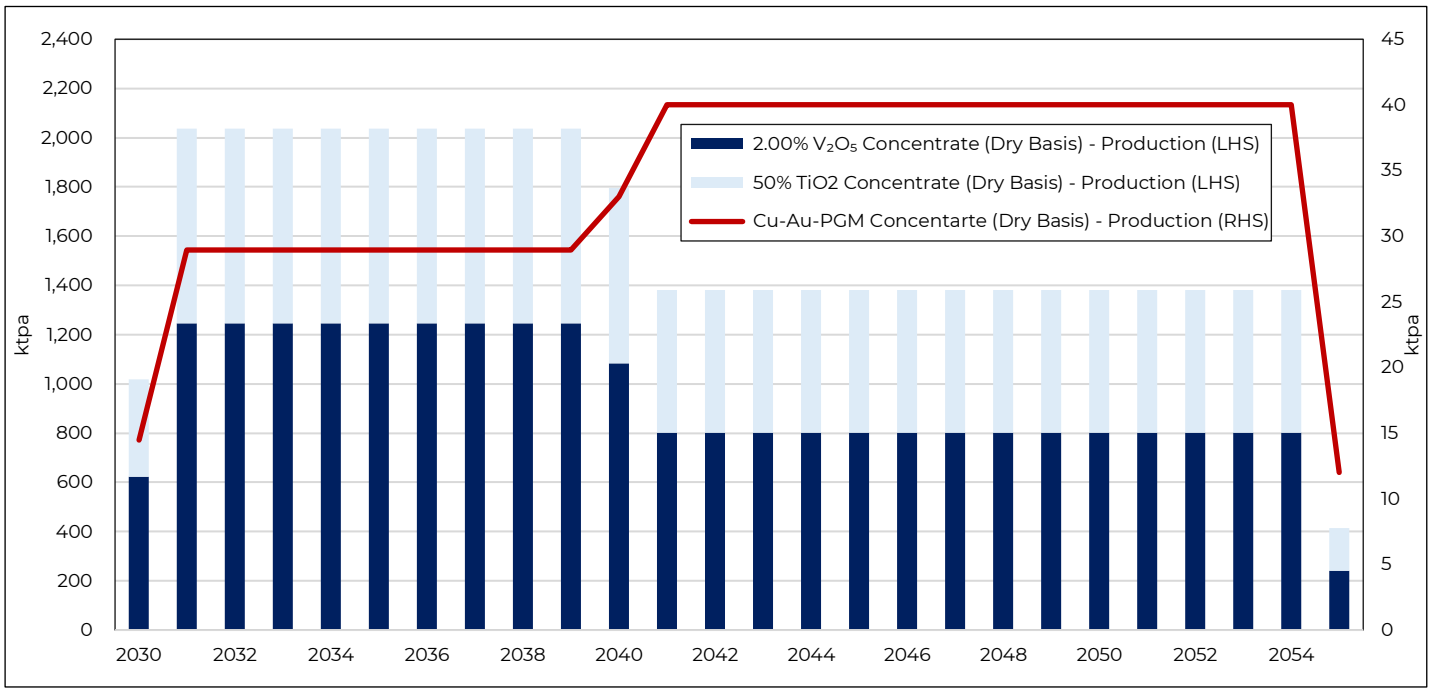

Figure 1.5.1 – Dante LOM Project Concentrator Production Schedule

Whilst V-Mag concentrate is stockpiled ahead of SRL commissioning, **ilmenite and Cu–Au–PGM concentrates are sold in the year of production**, providing meaningful early-life cash-flow leverage to titanium and copper-PGM pricing. As shown in **Figure 1.5.2**, ilmenite and Cu–Au–PGM concentrate sales remain stable through the central operating period (2031–2054), providing consistent outbound logistics demand before gradually tapering as the mine transitions into lower-tonnage Inferred material.

The shipped-tonnage profile reflects **wet tonnes at 8% moisture**, relevant for logistics sizing rather than revenue recognition. This distinction is important for Dante given its remote location and the **1,450 km transport chain** required to reach the Port of Esperance plus the large haulage amount of 886ktpa hauled (96% TiO_2 Con + 8% Cu-Au-PGM Con) before dropping to 627ktpa hauled (94% TiO_2 Con + 6% Cu-Au-PGM Con)

We assume a truck-to-rail logistics solution comprising:

1. Trucking to Leonora (800km),
2. Rail transfer via the Leonora Branch Line to Kalgoorlie (250km),
3. Onward rail transport on the Esperance Branch Line (400km).

Transport cost is therefore a **material valuation driver**, with sensitivity to both haulage tariffs and moisture-adjusted shipped tonnes—an effect highlighted in our sensitivity analysis below.

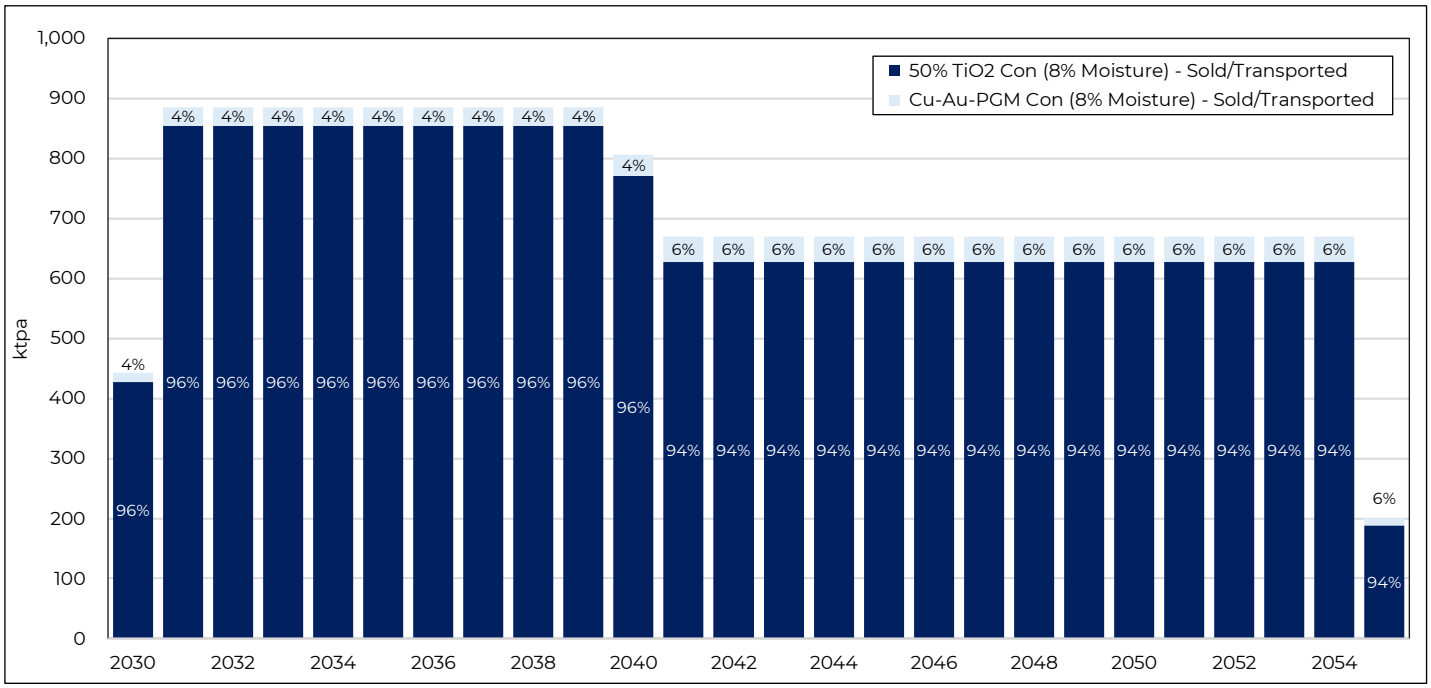

Figure 1.5.2 – Dante Concentrator Sales & Logistics Forecast

1.6 Dante SRL + Concentrate Production Schedules

Figure 1.6.1 highlights the dynamics of vanadium-magnetite concentrate production, SRL feed rates, and the cumulative stockpile over the 2030–2061 period. Concentrate output in the indicated years (ramps to 1.25Mtpa materially exceeding the SRL's 900ktpa nameplate.

The resulting surplus creates a strategic stockpile that rises to 7.1Mt by 2040, ensuring uninterrupted SRL utilisation irrespective of mine-sequence variability or late-life grade decline.

The scale of this stockpile also provides optionality for a future second SRL train; however, according to The Shanghai Metals Market (SMM), global vanadium production in 2024 was 110kt V_2O_5 equivalent, meaning a single Dante train 15.0ktpa would already represent ~14% of current world supply. In this context, a staged approach appears strategically and commercially prudent.

The SRL operates at steady state from through 2034–2059, converting concentrate into a blend of V_2O_5 flake & higher-grade powder. As ore feed tapers toward the end of mine life, the accumulated stockpile is progressively drawn down, maintaining full SRL throughput and sustaining vanadium revenues well beyond the concentrator's natural decline curve. This stockpiling strategy materially de-risks the downstream operation, stabilises cash flows, and enhances project valuation through improved V_2O_5 unit-cost consistency and high asset utilisation across the full operating horizon.

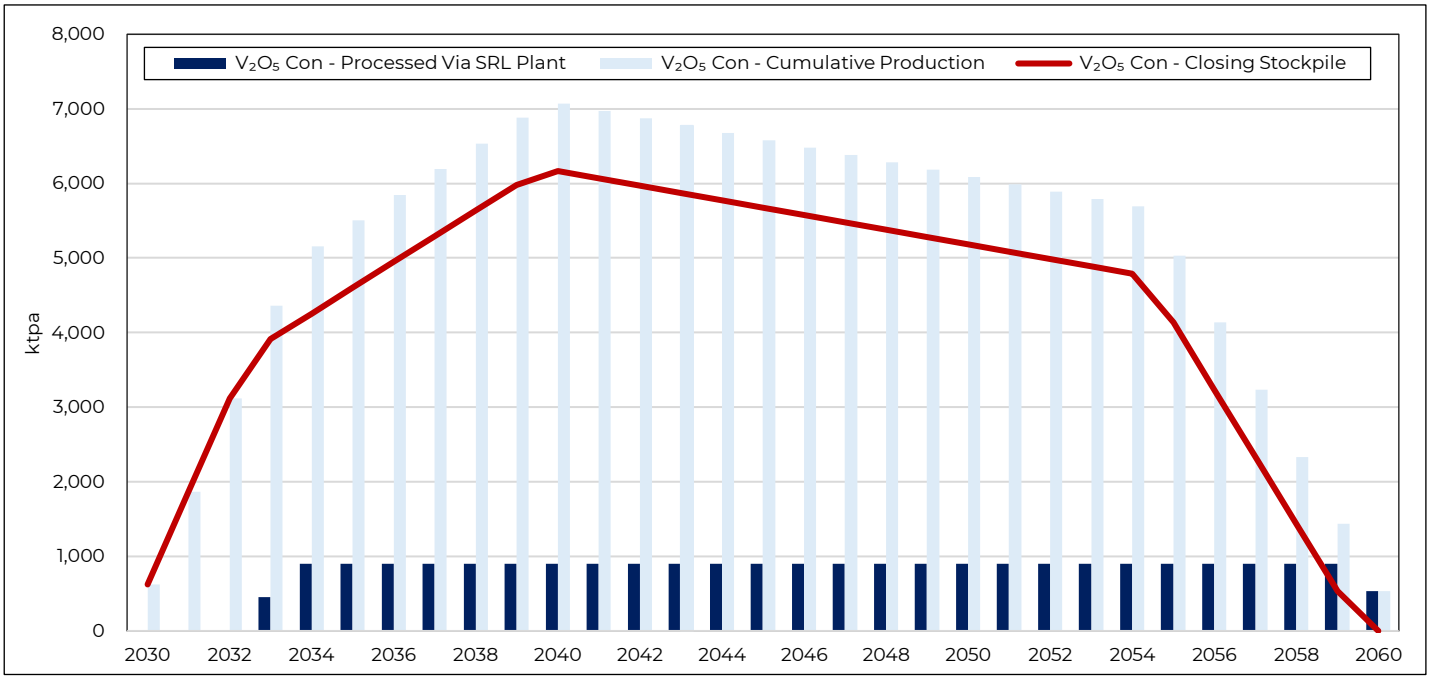

Figure 1.6.1 – Dante LOM Stockpile/Drawdown Schedule

Figure 1.6.2 illustrates Dante's concentrate sales evolution, highlighting the commercialisation of V_2O_5 Flake + Powder, Cu–Au–PGM concentrate, and 50% TiO_2 ilmenite.

- **V_2O_5 Flake sales** begin with SRL commissioning in 2033, rising immediately to V_2O_5 sales commence in 2034 with SRL commissioning, reaching 15.0 ktpa in 2034 and holding a long, stable plateau supported by the pre-built V-magnetite stockpile. For modelling, we assume a 70/30 product split between standard ≥98% V_2O_5 flake and ≥99.5% high-purity powder, consistent with marketability and achievable premiums across chemical, aerospace and energy-storage sectors.

  This equates to:
  - **4.5 ktpa** of **high-purity V_2O_5 powder (≥99.5%)**
  - **10.5 ktpa** of **standard V_2O_5 flake (≥98.0%)**.

- **Cu–Au–PGM concentrate** contributes a stable 14.4ktpa CuEq through the higher-grade Indicated years in mid-life, before stepping down to 8.4ktpa as the mine transitions into lower-grade Inferred material.

- **50% TiO_2 Ilmenite sales**, shown on the secondary axis, closely track concentrator output and remain the project's largest tonnage stream. TiO_2 concentrate sales average 791ktpa during the higher-grade Indicated years before declining to 581ktpa in the lower grade Inferred years.

The step-downs in 2040 and beyond correspond to mine-sequence shifts that reduce ilmenite and Cu–Au–PGM head grades as the operation moves into the Inferred component of the resource.

Overall, the sales profile demonstrates a diversified and staged revenue mix. Early-life cash flows are dominated by titanium and Cu-PGM products, while vanadium becomes an increasingly material contributor as the SRL progresses from ramp-up to stable long-term production of high-purity flake and powder.

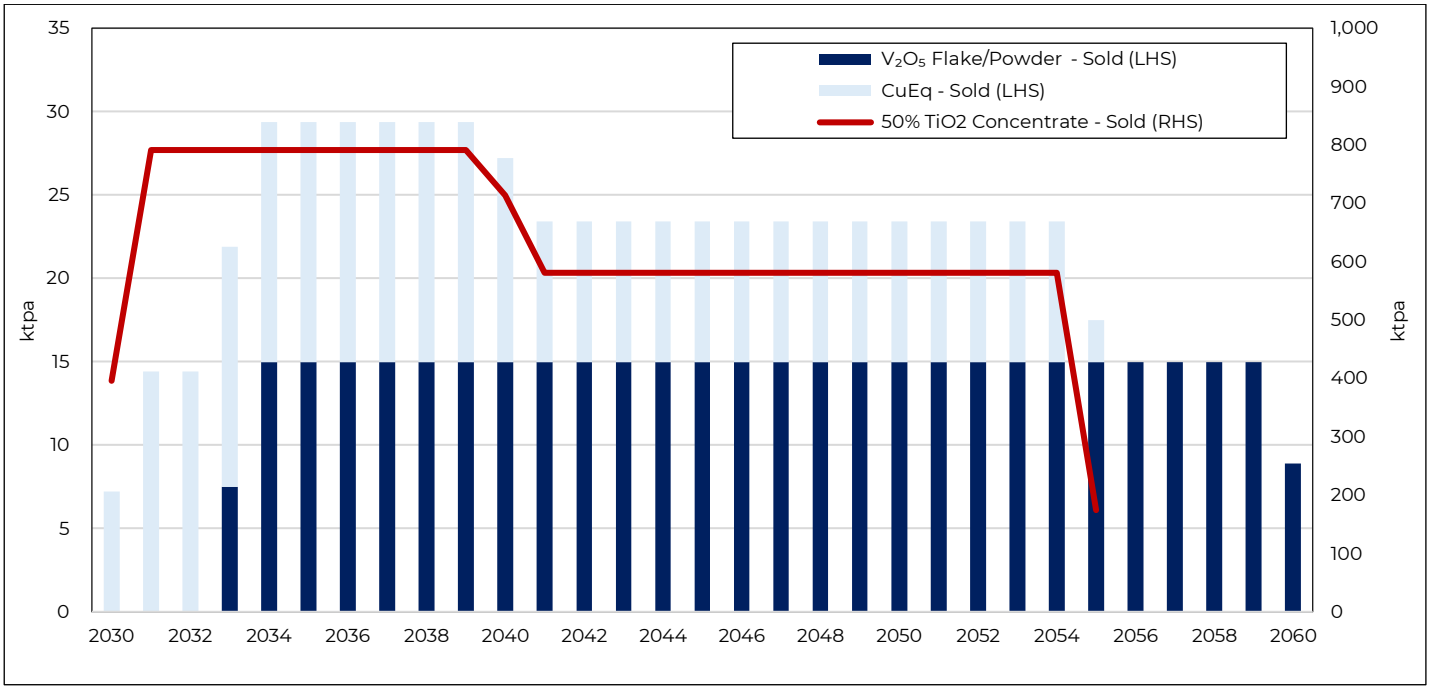

Figure 1.6.2 – Dante LOM SRL & Concentrator Sales Profile

1.7 NSR Contribution & Commodity-Price Leverage Discussion

Importantly, the Dante Project's revenue mix evolves materially over the mine life.

Years 1–3: In the pre-SRL period (2030–2033), NSR is generated entirely from TiO_2 ilmenite concentrate and the Cu–Au–PGM sulphide concentrate, with titanium accounting for 43% of NSR and CuEq making up 57%. Vanadium does not contribute to this period, which corresponds to the most heavily discounted years of the valuation model.

Year 4: In Year 4 (2034), the SRL reaches 50% of nameplate capacity and introduces ≥98% V_2O_5 flake + 99.5% powder into the revenue basket. At this point, vanadium contributes 25% of NSR, reducing reliance on TiO_2 and CuEq without yet dominating the mix.

Years 5–10: By Years 5–10, as the SRL operates at full capacity, vanadium becomes a major NSR driver, contributing 39% of the mix. Over this period, the relative weighting of TiO_2 naturally declines as the revenue base diversifies, while Cu–Au–PGM concentrate maintains a consistent mid-life contribution.

This transition is clearly illustrated in **Figure 1.7.1** below: early-life NSR is entirely TiO_2/CuEq; Year 4 introduces a third leg in vanadium whilst the SRL plant ramps up to 50% of nameplate; and steady-state SRP operation shows a more balanced three-way split

This sequencing is central to interpreting NPV sensitivity. TiO_2 and copper dominate the NPV response not because they are the highest-margin products, but because they underpin the earliest cash flows—those discounted least heavily in the valuation.

Vanadium, despite generating strong margins at steady state, enters the revenue stream later (from 2034 onward), meaning its impact on headline NPV is proportionally smaller. A second inflection occurs around 2040 as the mine transitions into lower grade Inferred material, but these later cash flows are heavily discounted and therefore have limited influence on overall valuation.

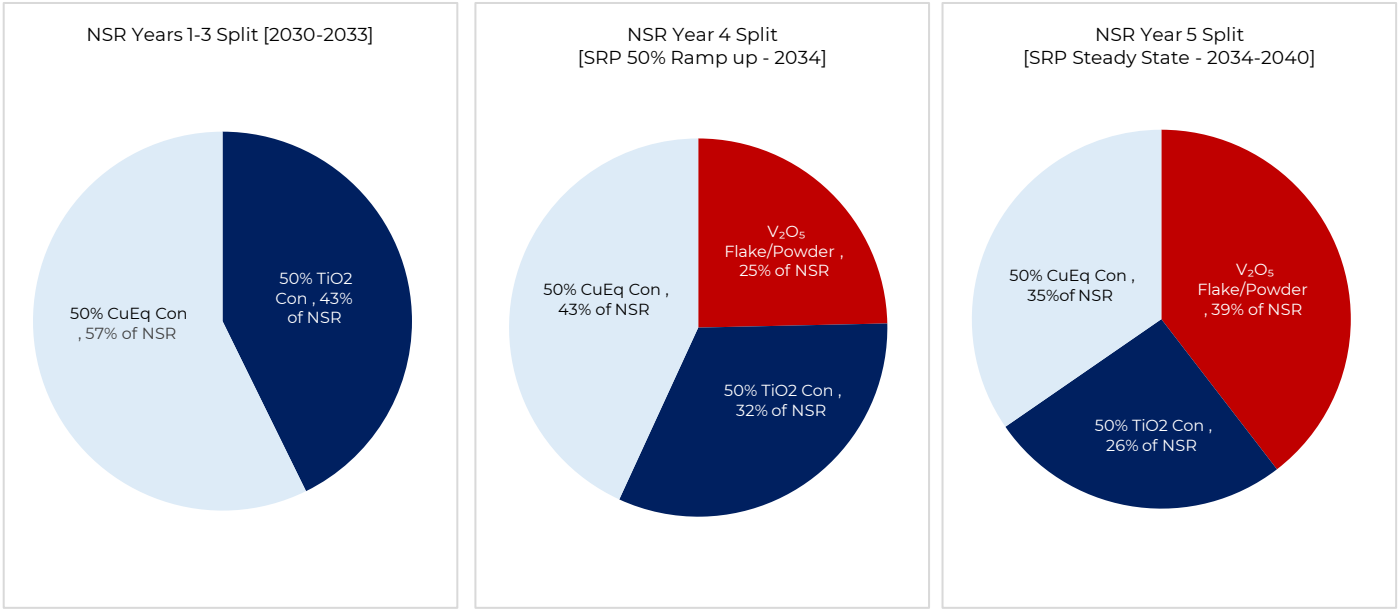

Figure 1.7.1 - Dante Project's revenue mix Pre & Post SRL Plant Commissioning

1.8 Dante Project – Price Sensitivity

The Dante Project exhibits robust economics across the commodity suite, with NPV_{10} remaining resilient even under meaningful downside scenarios. Sensitivity analysis highlights that project value is most exposed to TiO_2 and V_2O_5 flake prices, reflecting the significant early-stage contribution of the ilmenite concentrate.

A ±15% move in **TiO_2 pricing drives a ±US$93M** swing in NPV, while an equivalent change in **V_2O_5 flake price impacts value by ±US$77M.** This is consistent with the revenue weighting of the Dante flowsheet, and the strong leverage of the high-grade ilmenite and vanadium concentrates to global pigment and battery markets.

Copper provides a meaningful but secondary source of valuation torque, with a ±15% **copper price swing translating to ±US$68M** of NPV variability. Importantly, PGMs (Pt and Pd) and gold contribute incremental upside (±US$32M) but exhibit relatively modest sensitivity, with platinum driving only ±US$14M and palladium ±US$4M of valuation impact. This confirms that while Dante is a true polymetallic system, the bulk of NPV is driven by bulk commodities (Ti, V, Cu), de-risking exposure to PGE market volatility.

With less than 10% of the >80 km mineralised trend included in the current MRE, this leverage sits atop a substantial growth runway not yet captured in the valuation.

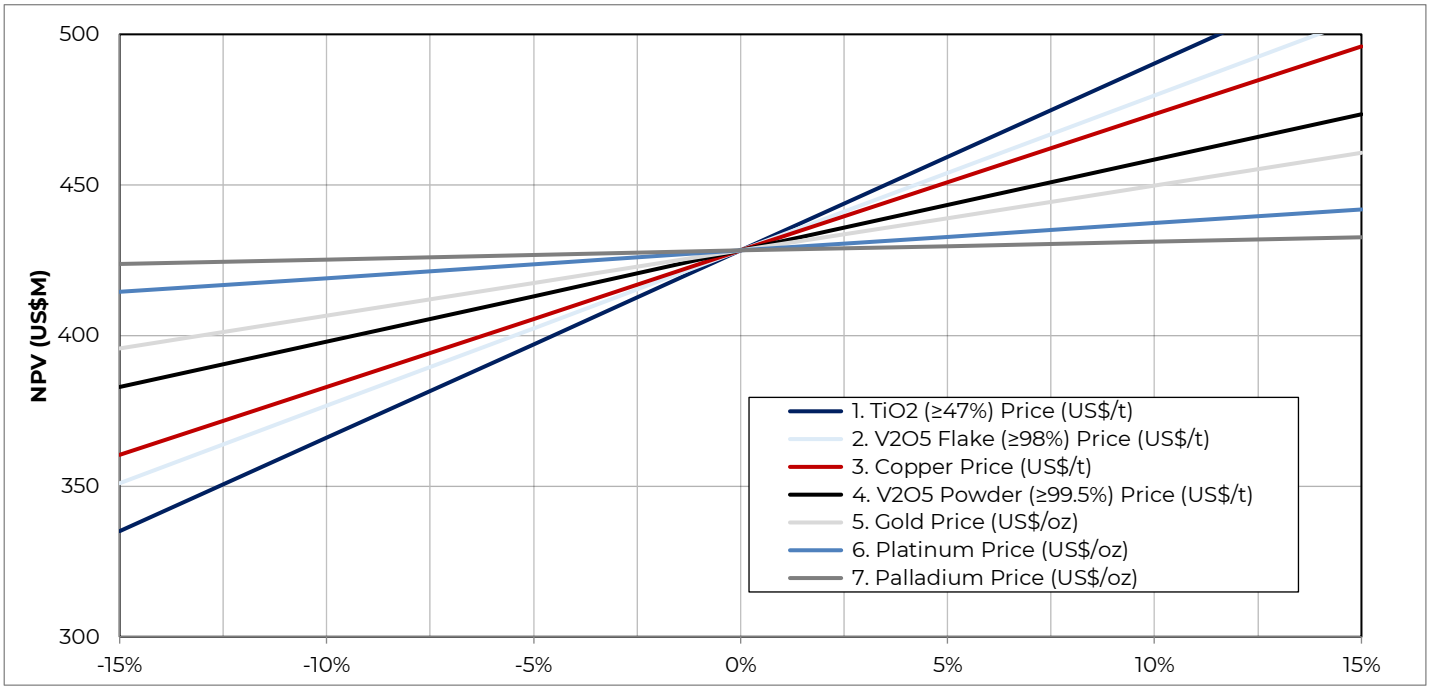

Figure 1.8.1 - Dante Project NPV Sensitivity to Key Commodity Prices (Tornado Chart)

Δ (%)	-15%	-10%	-5%	0%	+5%	+10%	+15%	Range (±Δ) (US$M)
1. TiO2 (≥47%) Price (US$/t)	335	366	397	**428**	459	490	521	**93**
2. V2O5 Flake (≥98%) Price (US$/t)	351	377	402	**428**	454	480	505	**77**
3. Copper Price (US$/t)	360	383	405	**428**	451	473	496	**68**
4. V2O5 Powder (≥99.5%) Price (US$/t)	383	398	413	**428**	443	458	473	**45**
5. Gold Price (US$/oz)	396	406	417	**428**	439	450	461	**32**
6. Platinum Price (US$/oz)	414	419	424	**428**	433	437	442	**14**
7. Palladium Price (US$/oz)	424	425	427	**428**	430	431	433	**4**

Table 1.8.1 - Commodity Price Sensitivity Matrix (NPV Impact at ±15%)

1.9 CuEq basket price analysis

Table 1.9.1 summarises the value composition of Dante's Cu-Au-PGM sulphide concentrate, illustrating the relative contribution of each payable metal to the CuEq benchmark used in our modelling. Copper is the dominant driver of value, contributing US$71m (58% of the basket) on a life-of-mine average production of 7.0 kt at a modelled payable price of US$10,200/t. Gold provides a further US$30m (25%), followed by platinum at USS16m (13%) and palladium at US$5m (4%).

On a CuEq basis, this equates to 12.0ktpa CuEq, with copper accounting for 7.0ktpa CuEq and precious metals contributing a combined 5.0ktpa CuEq. This diversified metal mix provides a stable and high margin concentrate that complements Dante's titanium and vanadium revenue streams.

Metal	LOM Avg Recovery	Payable Price (Model Price)	Value Contribution (US$m)	Breakdown (%)	CuEq Contribution (ktpa)
Copper	**7.0 kt**	**US$10,200/t**	**US$71m**	**58%**	**7.0 ktpa**
Gold	9.5 koz	US$3,200/t	US$30m	25%	3.0 ktpa CuEq
Platinum	13.1 koz	US$1,200/t	US$16m	13%	1.5 ktpa CuEq
Palladium	4.7 koz	US$1,100/t	US$5m	4%	0.50 ktpa CuEq
Total Cu-Au-PGM as CuEq			**US$123m**	**100%**	**12.0 ktpa CuEq**

Table 1.9.1 - Cu-Au-PGM Basket Price & Value Contribution Analysis (LOM)

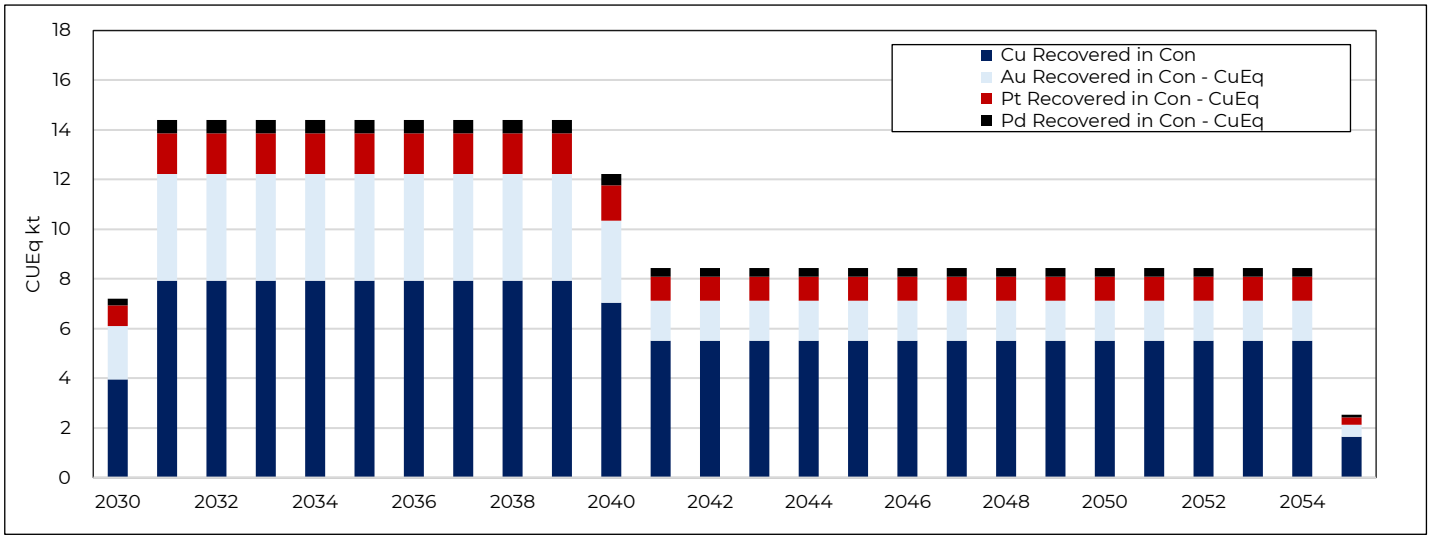

Figure 1.9.1 - Cu-Eq Metal Production Profile by Payable Metal (2030-2055)

1.10 Dante Project – Discount Rate & Unit Cost Sensitivity

Beyond commodity prices, the Dante Project's NPV is most sensitive to the **discount rate**, consistent with its long-life, capital-intensive development profile. A ±2 percentage-point move around the 10% base case drives an NPV swing of **US$167M**, far exceeding the impact of operating-cost variables. This reinforces the importance of de-risking the project through resource growth, metallurgy, permitting and strategic partnerships — all factors that can structurally lower the cost of capital.

Across the operating cost structure, sensitivities are material but notably **second-order** relative to macro-economic assumptions. A ±15% change in **concentrator operating cost** produces a **US$61M** NPV range, while a ±15% shift in **transport/logistics cost** contributes **US$59M**. These results highlight the role of bulk concentrate handling and freight costs in Dante's early cash-flow profile, particularly before vanadium production begins.

Mining costs generate a **US$49M** NPV range for a ±15% move — meaningful, but moderated by the project's shallow, flat-lying geometry and favourable strip ratios. Meanwhile, **Salt Roast Plant (SRP) processing costs** represent the lowest sensitivity driver at **US$41M**, underscoring the robustness of the vanadium flowsheet and the relatively low Opex leverage in the downstream refining stage.

Overall, the sensitivity profile demonstrates that while Dante responds predictably to Opex variability, **project value is dominated by discount-rate assumptions and rather than operating-cost inflation**.

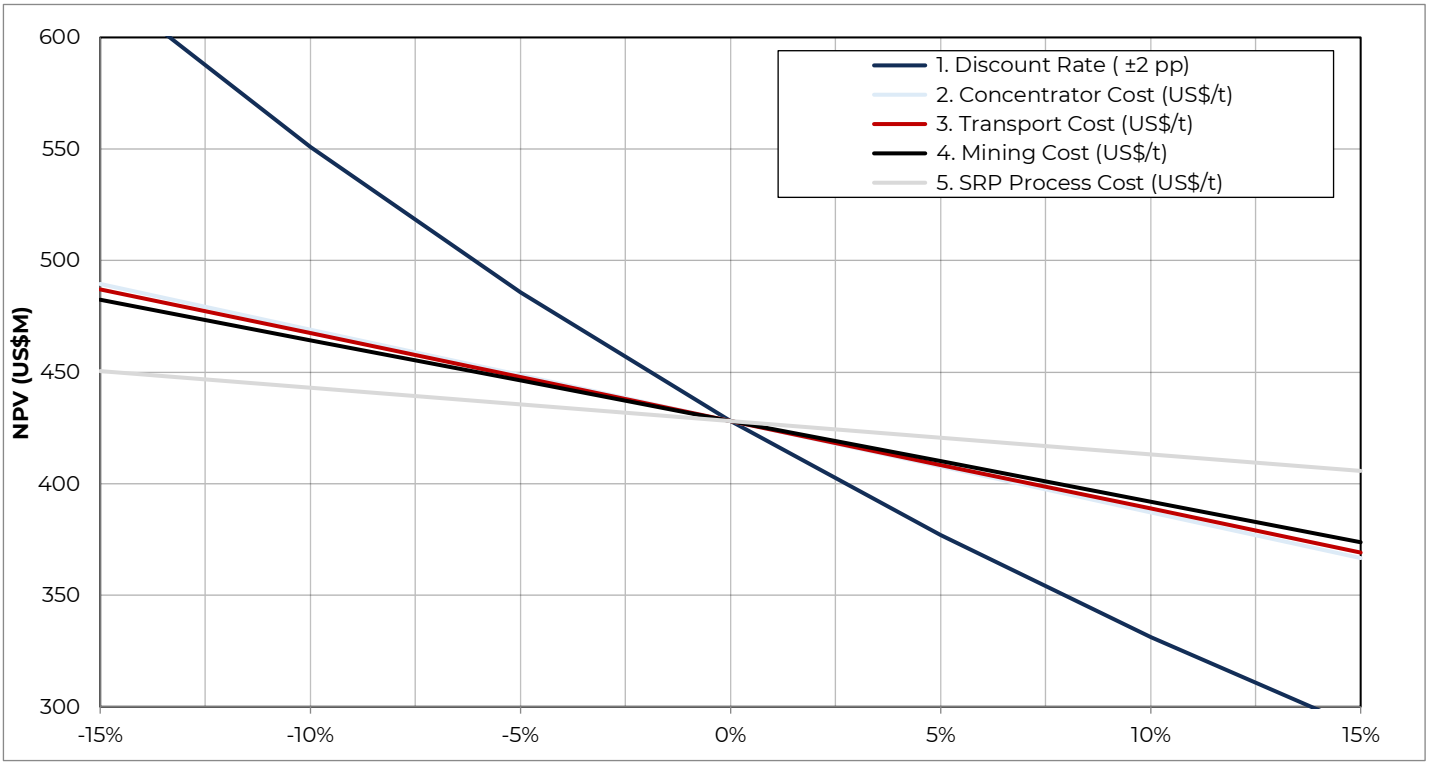

Figure 1.10.1 - Dante Project NPV Sensitivity to Key Commodity Prices (Tornado Chart)

Δ (%)	-15%	-10%	-5%	0%	+5%	+10%	+15%	Range (±Δ) (US$M)
1. Discount Rate (±2 pp)	624	551	486	**428**	377	331	290	**167**
2. Concentrator Cost (US$/t)	490	469	449	**428**	408	387	367	**61**
3. Transport Cost (US$/t)	487	467	448	**428**	408	389	369	**59**
4. Mining Cost (US$/t)	379	396	412	**428**	444	461	477	**49**
5. SRL Plant Process Cost (US$/t)	388	401	415	**428**	442	455	469	**41**

Table 1.10.1 – Unit Cost + Discount Rate Sensitivity Matrix

1.11 Comparable Valuation

A key point of differentiation for Dante versus existing vanadium projects is the way titanium and vanadium are partitioned through the flowsheet.

Phase-1 testwork on the Jameson Intrusion has already demonstrated that the ore can be split into three clean, saleable concentrates using conventional magnetic separation and flotation: a 1.81% V_2O_5 vanadium-magnetite concentrate (with >90% V recovery), a ~40% TiO_2 ilmenite concentrate (65% Ti recovery), and a 28% Cu, 17 g/t Au, ~21 g/t PGM Cu-Au-PGE sulphide concentrate. This contrasts with typical vanadiferous titanomagnetite ("VTM") operations, which recover vanadium in a titanomagnetite concentrate grading ~1.2–1.5% V_2O_5 with 10–20% TiO_2 locked in the same phase.

By comparison, Dante starts from a modest head grade of 0.54% V_2O_5 (0.73% in the Indicated component of the MRE) and upgrades it to a 1.81% V_2O_5 concentrate – a 3.4x uplift on the total resource and ~2.5x on the Indicated material. On a like-for-like basis, a 1.81% V_2O_5 roast feed requires roughly 20–25% less concentrate mass per tonne of V_2O_5 produced than a 1.4% V_2O_5 feed, directly reducing salt-roast kiln throughput and soda-ash consumption per unit of payable metal.

Despite the lowest head grade in the peer set, Dante delivers the strongest roast feed. As shown in Figure 1.11.1, Dante's Roastability Index is ~2–2.5x higher than AVL and ~1.5x higher than VR8, implying materially lower mass throughput and reagent consumption per tonne of V_2O_5 than conventional VTM projects.

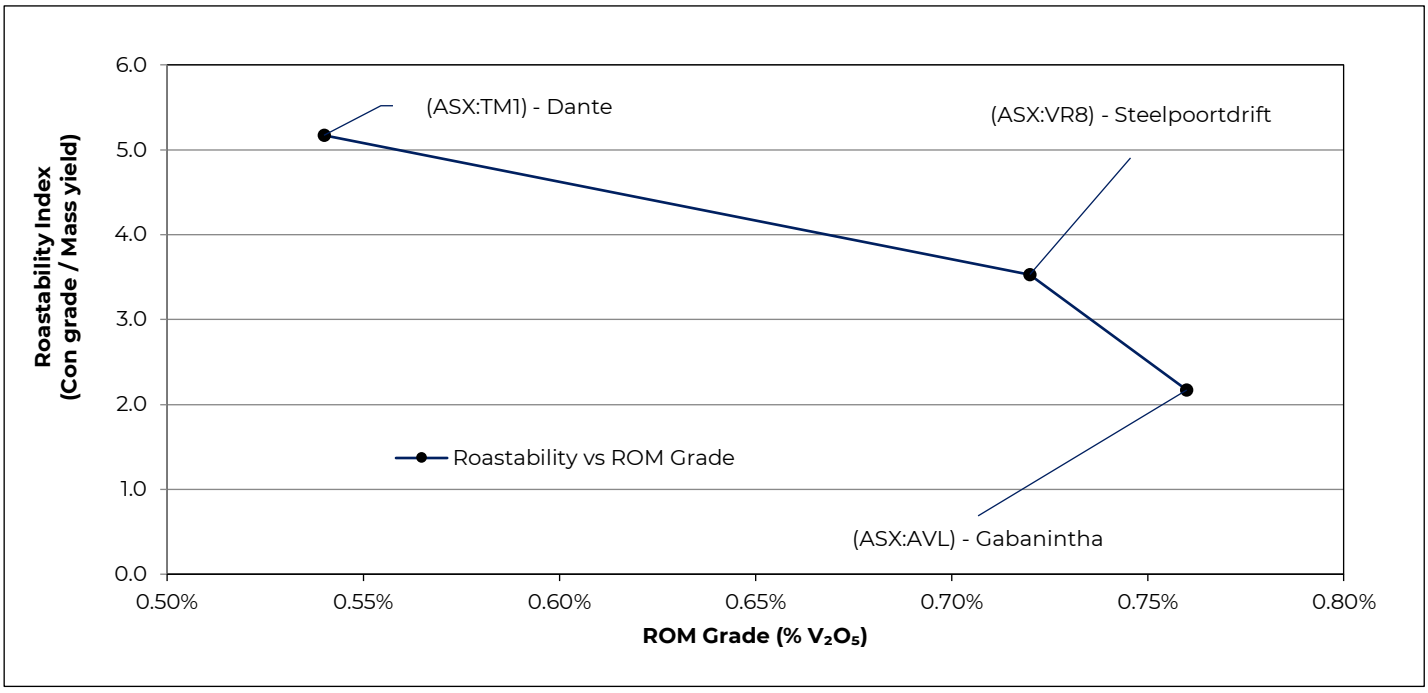

Figure 1.11.1 - Roastability Advantage: Dante Delivers Sector-Leading Concentrate Quality per Mass Yield

Project	ROM Grade (% V_2O_5)	Concentrate Grade (% V_2O_5)	Upgrade Factor (x)	Mass Yield (%)	Roastability Index
(ASX:TM1) - Dante	0.54%	1.81%	3.4x	35.0%	**5.2**
(ASX:VR8) - Steelpoortdrift	0.72%	2.10%	2.9x	60.0%	**3.5**
(ASX:AVL) - Gabanintha	0.76%	1.38%	1.8x	63.7%	**2.2**

Table 1.11.1 – ASX Listed VTM Projects Benchmark

Taken together, the upgrade factor and lower TiO_2 in the vanadium stream position Dante favourably versus the current generation of VTM projects in WA and South Africa:

- **Roast cost per tonne of V_2O_5 should be structurally lower**, with savings driven by (i) lower concentrate mass through the kiln and (ii) reduced Na-reagent consumption owing to less titanate formation.
- **Flowsheet complexity is reduced**: TM1 can send a relatively "clean" vanadium-magnetite concentrate to a conventional salt-roast plant, while marketing a standalone ilmenite product into the TiO_2 pigment/synthetic rutile value chain.
- **Project optionality is enhanced**: the ilmenite concentrate can be monetised independently of vanadium, and Dante is not forced into an iron–titanium co-product model to make the roast work.

From an equity-valuation perspective, this metallurgical profile supports two important conclusions.

1. Dante's apparent head-grade disadvantage versus vanadium peers is largely offset – and may be more than offset – at the roast feed level.

2. The ability to produce three clean concentrates (Cu–Au–PGM, V_2O_5, TiO_2) using low-risk, conventional unit operations is a genuine differentiator for TM1, underpinning both operating-cost competitiveness and strategic value to potential acquirers or offtake partners.

2. Terra Metals Overview

2.1 Company Overview

Terra Metals is an ASX listed, fully funded mineral exploration company located in Western Australia. The company is focusing on targeting a unique, multi-commodity system rich in various polymetallic minerals such as copper, gold, palladium, platinum, titanium and vanadium. This differentiates TM1 from its competitors due to its large ensuite of economically viable assets. The company currently has a market capitalisation of A$99M and pro forma cash of A$16.4M Cash.

2.2 Dante Project

The Dante Project is TM1's flagship asset, located in the West Musgrave region of Western Australia. It is a globally significant, multi-commodity discovery within the Jameson Layered Intrusion of the Giles Complex, a mafic–ultramafic system.

Exploration has currently focused on one tenement which is 250km² in size, although holding 6 approved tenements covering 1,200km². The Dante Reefs, discovered in 2024, comprise three large, stratiform titanium–vanadium–copper–PGE reefs (Crius, Hyperion & Oceanus), over a 20km strike, with mineralisation from surface to more than 250m depth.

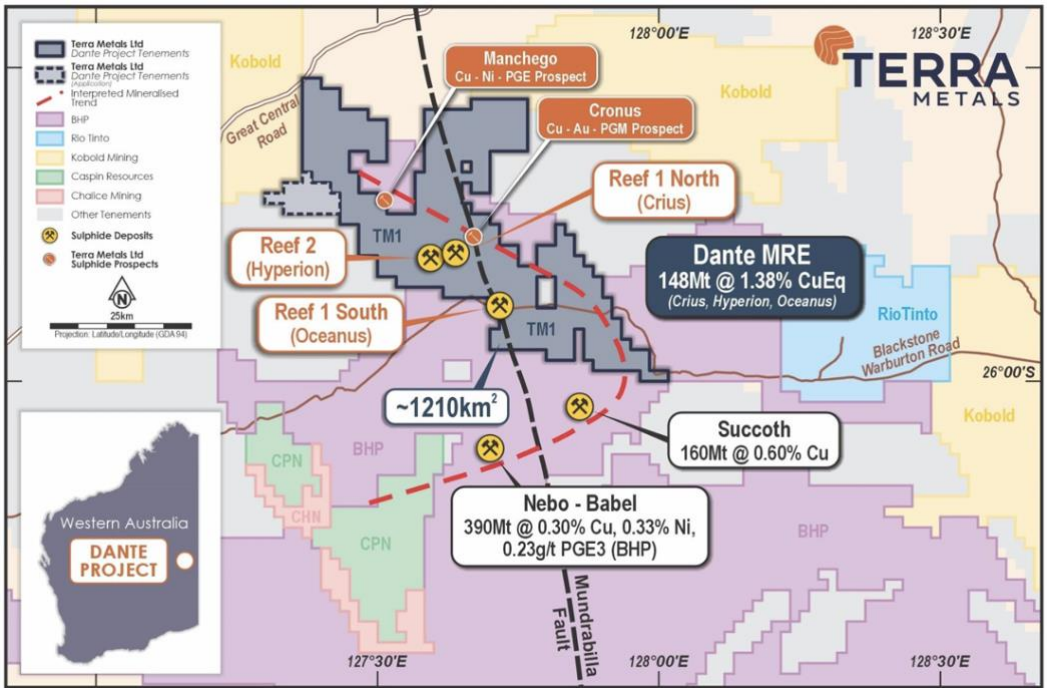

Figure 2.2.1 - Dante Project Location Map

Over 17,000m of drilling has defined extensive, shallowly dipping mineralised layers, highlighting substantial near-surface resource potential. Recent tenement acquisitions have extended strike potential to 80km, encompassing hundreds of kilometres of prospective stratigraphy. Strategically located at the junction of the North, West, and South Australian Cratons, Dante also hosts numerous untested reef targets, including outcropping and sub-cropping systems. The project represents a rare, large-scale multi-metal discovery with significant upside for resource growth and long-term value creation.

A phase 3 drilling program was recently announced, focusing on resource expansion drilling via step-out holes at Reef 1 & 2 to test the strike and depth continuity of known mineralisation across a 20km long mineralised corridor. To date, ~113 holes for ~12,775m of drilling has been completed as part of the program.

The program is also targeting new discoveries, with the following outstanding result announced in September 2025:

- Drilling at the new Southwest Prospect intersected a 58m thick titano-magnetite reef layer from 132m – 190m – the thickest reef encountered to date, and
- The intercept occurs within a corridor where 5.2km of new reef strike has recently been mapped, significantly expanding the prospective strike.

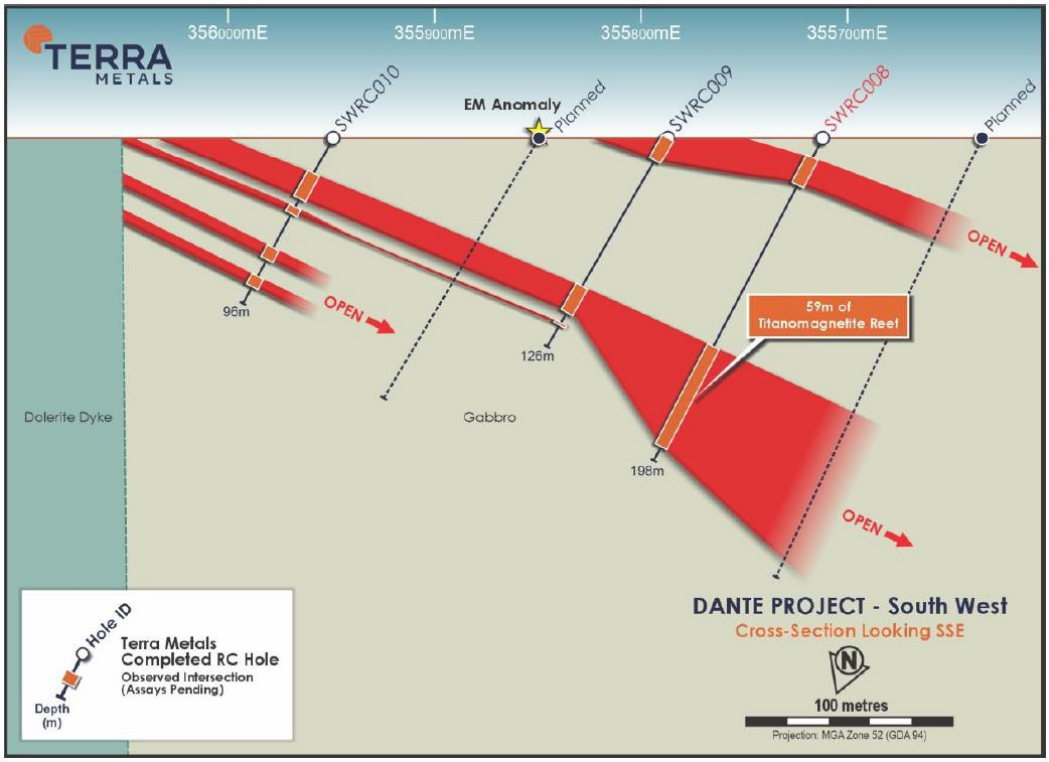

Figure 2.2.2 - Cross Section Showing Magnetite Reef Intercepts

Other key drilling highlights to date include:

- **9m at 18.6% TiO_2**, 0.58 g/t 3PGE, 0.16% Cu & 0.70% V_2O_5 from surface (Reef 1),
- **4m at 21.3% TiO_2**, 0.82 g/t 3PGE, 0.14% Cu & 0.93% V_2O_5 from 5m (Reef 1),
- **5m at 19.0% TiO_2**, 0.72 g/t 3PGE, 0.25% Cu & 0.77% V_2O_5 from 19m (Reef 1),
- **15m at 12.89% TiO_2**, 0.28% CuEq, 0.54% V_2O_5, 0.10% Cu, 0.07 g/t Au, 0.41 g/t Pt, and 0.19 g/t Pd from 42m (Reef 2),
- **9m at 14.46% TiO_2**, 0.29% CuEq, 0.48% V_2O_5, 0.16% Cu, 0.10 g/t Au, 0.24 g/t Pt, and 0.07 g/t Pd from surface, (Reef 2), and
- **6m at 16.11% TiO_2**, 0.27% CuEq, 0.58% V_2O_5, 0.15% Cu, 0.06 g/t Au, 0.28 g/t Pt, and 0.07 g/t Pd from surface (Reef 2).

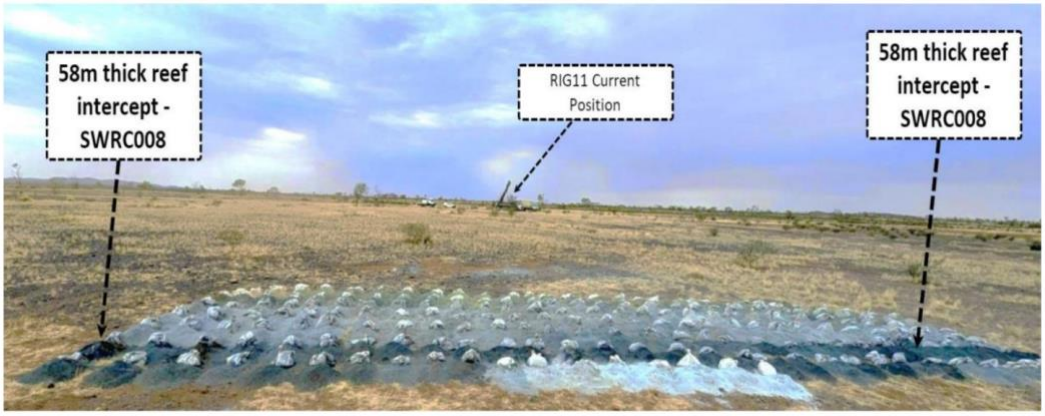

Figure 2.2.3 - RC Chip Piles Showing 58m Thick Intercept of Reef Mineralisation

This follows on from the Maiden Mineral Resource Estimate (MRE) announced in August 2025, with this being delivered within 12 months of discovering The Dante Project, confirming the efficiency at which TM1 is undertaking value accretive drilling campaigns. The MRE had a low discovery cost of ~A$0.07 per tonne of resource, confirming the low lying, simple nature of the deposit.

Category	Tonnage (Mt)	Grade							
		TiO_2 (%)	V_2O_5 (%)	Cu (%)	3PGE (g/t)	Au (g/t)	Pt (g/t)	Pd (g/t)	CuEq (%)
Indicated	38	18.40	0.73	0.23	0.71	0.16	0.41	0.14	1.87
Inferred	110	13.50	0.47	0.16	0.21	0.06	0.11	0.04	1.21
Total	**148**	**14.80**	**0.54**	**0.18**	**0.33**	**0.08**	**0.18**	**0.07**	**1.38**

Table 2.2.1 - Dante Project Maiden MRE

Category	Tonnage (Mt)	Contained Metal						
		TiO_2 (Mt)	V_2O_5 (kt)	Cu (kt)	3PGE (Koz)	Au (koz)	Pt (koz)	Pd (koz)
Indicated	38	7	280	90	870	200	500	180
Inferred	110	15	520	180	730	200	380	150
Total	**148**	**22**	**800**	**270**	**1,600**	**400**	**880**	**330**

Table 2.2.2 - Dante Project Contained Metal MRE

2.3 Strategic Location

TM1 is well positioned to leverage existing infrastructure, benefiting from being surrounded by 3 major mining companies – BHP, Rio Tinto and Kobold Mining. With BHP owning 2 Tier-1 resources within 15km (Nebo-Babel & Succoth) of The Dante Project, this will potentially allow for TM1 to benefit from existing resources. Currently, there is already an airstrip, grid power, mobile service and a town on the tenement, which will allow TM1 to utilise these assets as The Dante Project moves into development and operations. The A$1.7Bn Nebo-Babel Project has contained metal of 720kt of Nickel & 790kt of copper – confirming the West Musgrave region is well endowed with high-value commodities.

2.4 Top Investors Boost Shareholder Registry

With A$19M of capital raised between June & August 2025, there is strong investor support for TM1, with this being a reason for the significant re-rate for TM1 throughout 2025. These two placements have been corner-stoned by strategic resource focused investors, including:

- **Golden Energy and Resources Pte Ltd (GEAR)** – a leading resources company in the Asia Pacific,
- **Matthew Latimore** – Founder and President of M Resources Pty Ltd, and
- **Tribeca Investment Partners** – a fund known for leveraging a deep understanding of the natural resources sector.

2.4.1 Golden Energy and Resources Pte Ltd (GEAR)

GEAR have a significant presence in the metallurgical coal industry through its 70% subsidiary Illawarra Coal Holdings Pty Ltd ("ICH") and 59% subsidiary Stanmore Resources Ltd (ASX: SMR, market capitalisation ~A$1.8bn). It also has exposure to gold through Ravenswood Gold, which has 4.8Moz of contained gold resources. With a strong performing investor joining the shareholder registry, this is a clear vote of confidence in the upside potential of TM1.

2.4.2 M Resources Pty Ltd

With A$3bn Assets Under Management (AUM) and annual revenue of A$1bn, M Resources has a global presence in the resources sector. M Resources is among the top 3 seaborne metallurgical coal movers in the world, exporting over 20 million metric tonnes annually. M Resources holds ~5% of SMR with Matthew Latimore also being a Non-Executive Director. M Resources also collaborates with a diverse portfolio of mining companies, while also being a service provider in the industry. Alignment of M Resources with TM1 strengthens the investment appeal of TM1, as M Resources has a proven track record of success in the industry.

3. Geology

3.1 The Bushveld Complex – South Africa

The Bushveld Complex in Northern South Africa is the world's largest layered mafic intrusion and the most important source of platinum-group elements (PGEs). Emplaced into older sedimentary rocks during an extensional tectonic setting, it represents a massive magma system that crystallised into distinct layers of ultramafic and mafic rocks.

The key unit, the Rustenburg Layered Suite, forms a bowl-shaped body up to 9km thick and divided into five major zones — from the Marginal to Upper Zone — with the Critical Zone hosting the globally significant Merensky and UG2 reefs. These narrow but laterally continuous layers contain high concentrations of platinum, palladium, rhodium, and chromite, formed as sulphide-rich magmas separated and concentrated metals during cooling.

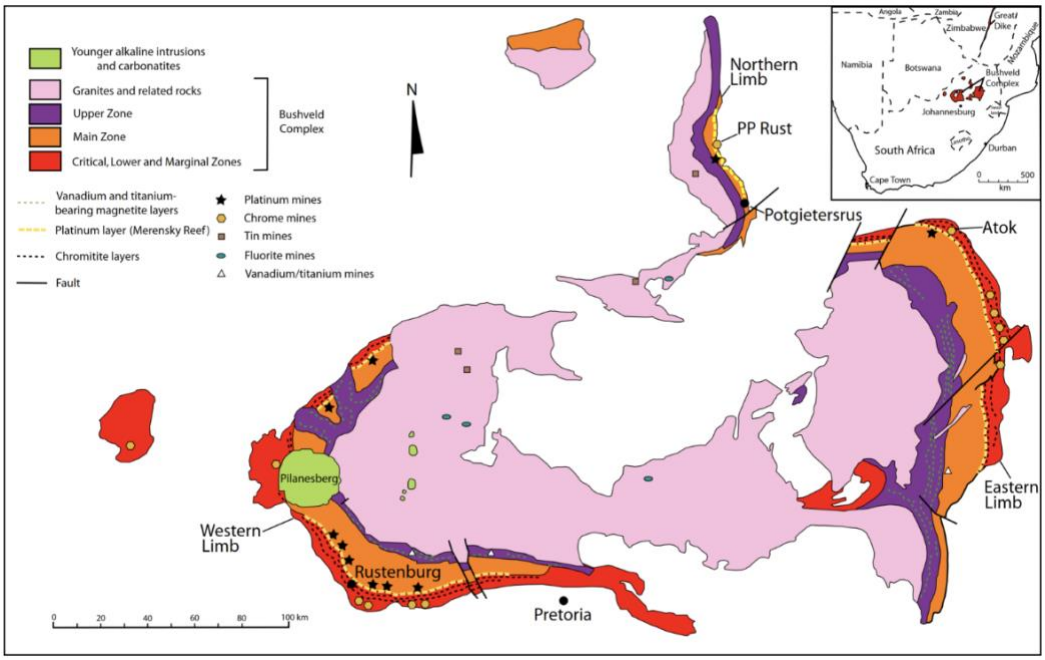

Figure 3.1.1 - Geological Map of The Bushveld Complex

In scale, the Bushveld Complex is immense — covering roughly 66,000km², extending about 450km east–west and 350 km north–south, and estimated to have formed from around one million cubic kilometres of magma. It contains approximately 75% of the world's platinum resources, 54% of palladium, and 82% of rhodium, making it by far the largest repository of PGEs on Earth. Its vast size, well-developed layering, and exceptional metal endowment make it a textbook example of a large igneous province and the foundation of South Africa's dominance in global PGE and chromium production. Key operators in The Bushveld Complex include:

- **Valterra Platinum** (JSE:VAL), **market capitalisation ~A$24Bn**,
- **Impala Platinum Holdings** (JSE:IMP), **market capitalisation ~A$15Bn**, and
- **Sibanye Stillwater** (NYSE:SBSW), **market capitalisation ~A$11Bn**.

3.2 Dante's Unique Geology

A key differentiator at Dante is the mineralogical deportment of titanium. Internal petrographic work (Crawford, 2024, unpub.) and Phase-1 metallurgy indicate that the majority of the TiO_2 (on the order of 60–70%) is hosted in coarse, free ilmenite, with the balance occurring in titanomagnetite. This produces a biphasic Fe–Ti oxide assemblage (liberated ilmenite + magnetite) rather than a single titanomagnetite host phase.

This mineralogy helps explain Dante's strong magnetic separation performance. Phase-1 testwork has already produced:

- A **vanadium-magnetite concentrate** grading 1.81% V_2O_5 at 91% V recovery using low-intensity magnetic separation (LIMS)
- A separate **titanium-ilmenite concentrate** grading 40% TiO_2 via high-intensity magnetic separation (WHIMS/MIMS).

By contrast, in many Bushveld-style and Chinese V–Ti systems titanium and vanadium are co-hosted in titanomagnetite, forcing developers down an integrated iron–titanium route and leaving a Ti-rich titanomagnetite concentrate as the roast feed for vanadium extraction. At Dante, titanium is largely liberated as coarse ilmenite while vanadium reports with magnetite, allowing the two value streams to be physically separated using low-cost magnetic separation.

From a salt-roast perspective this "decoupling" is important. In a conventional sodium roast, the desired reaction is the conversion of vanadium pentoxide to soluble sodium vanadate, schematically:

$$V_2O_5 + Na_2CO_3 \longrightarrow 2NaVO_3 + CO_2$$

However, TiO_2 competes for the same Na_2CO_3 (soda ash), forming sodium titanate (and related titanates such as $Na_2Ti_3O_7$ at higher conversions):

$$TiO_2 + Na_2CO_3 \longrightarrow Na_2TiO_3 + CO_2$$

Sodium titanates are insoluble in water, so titanium remains in the solid residue while sodium is "locked up" in these phases. Industrial experience at Panzhihua and other Chinese V–Ti operations on titanomagnetite and Ti–V slags shows that in Ti-rich roast feeds a significant fraction of Na_2CO_3 (and Na_2SO_4 where used) is consumed in forming sodium titanates and complex titanovanadate phases rather than the desired sodium vanadates. This increases reagent intensity, complicates leach solution chemistry, and can cap vanadium leach recoveries in the low-to-mid 80% range.

By removing most of the titanium into a stand-alone ilmenite concentrate ahead of roasting, Dante's vanadium-magnetite product should:

1. **Consume less soda ash / sodium sulphate per tonne of V_2O_5**, because far fewer Ti sites are available in the roast feed to form sodium titanates.
2. **Generate less Na–Ti slag and fewer refractory titanovanadate phases**, improving vanadium leachability and potentially increasing overall V recovery.
3. **Offer more flexibility in roast temperature and residence time**, as the roast does not need to be tuned around a highly titaniferous titanomagnetite feed.

Given Dante's global resource grade of 0.54% V_2O_5 and 14.8% TiO_2, the effective grade of the roast feed—measured on a "V_2O_5 per tonne of roasted concentrate per tonne of soda" basis—is likely to be superior to many peers with similar or higher in-situ V_2O_5 grades but much more Ti-rich roast feeds.

3.3 Resource Growth Potential

TM1 exercised its option to acquire 100% of HRM Exploration Pty Ltd in May 2025. HRM holds four contiguous exploration licences (~618km²) immediately adjacent to Dante. The transaction is strategically important: it extends the interpreted mineralised strike to >80km, almost doubles TM1's landholding in the West Musgrave and, effectively, consolidates control of the Jameson Layered Intrusion.

Resource growth potential across this expanded footprint is underpinned by the geology of the Giles Complex, which shares many characteristics with South Africa's Bushveld Complex – notably large, layered mafic intrusions, magnetite-rich lithologies and laterally extensive PGE-bearing reefs. This architecture supports the potential for multiple high-grade, continuous PGE and polymetallic deposits analogous to Bushveld-style systems, implying substantial upside for further discovery and resource expansion beyond the current MRE. Importantly, the 148Mt maiden MRE is based on only three reefs (Crius, Hyperion and Oceanus, Figure 3.3.1), while at least 11 mineralised reefs have already been identified across the intrusive package, with scope to increase this count with further drilling.

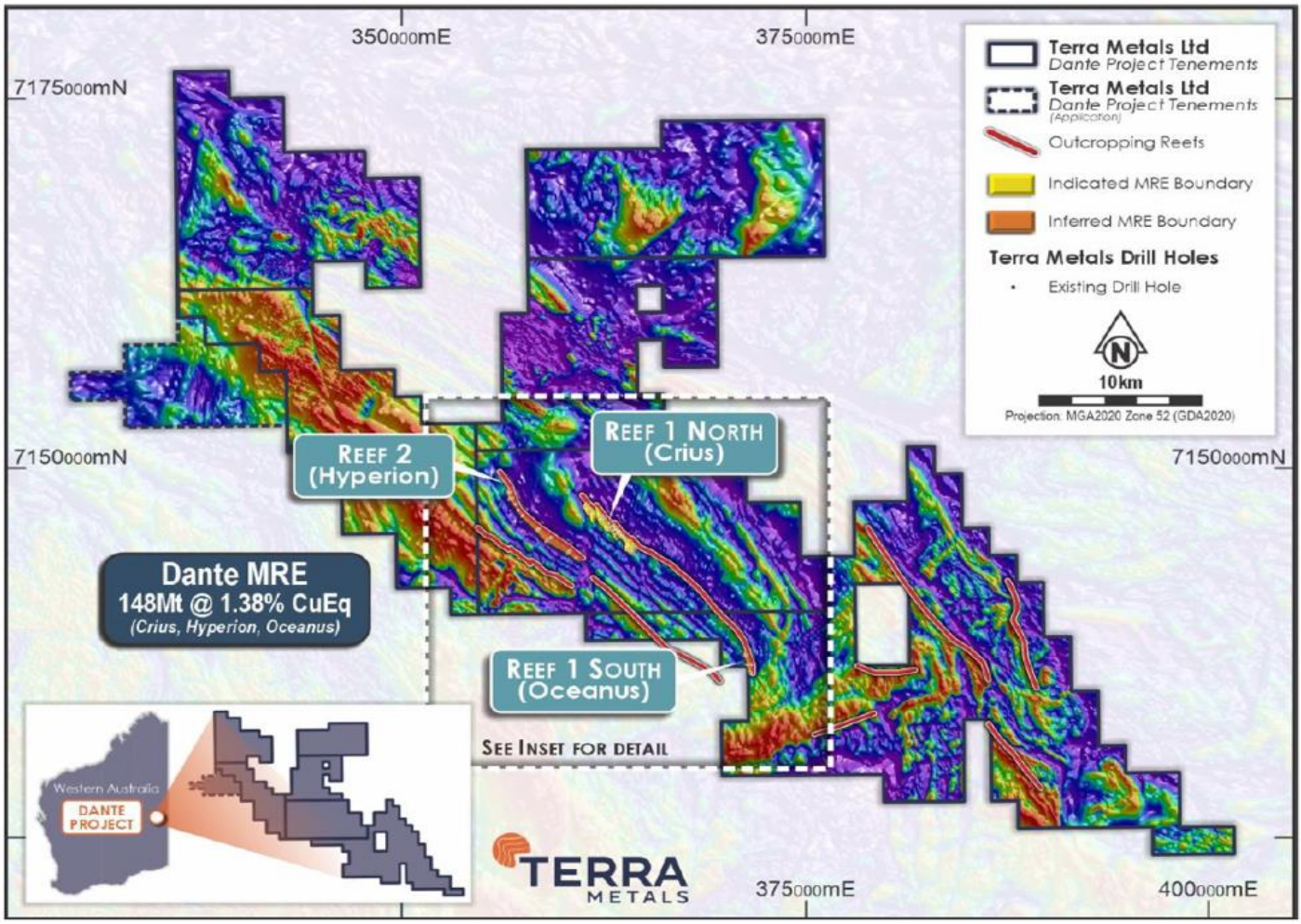

Figure 3.3.1 - Current MRE Contained in the Crius, Hyperion and Oceanus Reefs

Figure 3.3.2 below illustrates continuous mineralisation over 6.2km of strike, highlighting the consistent nature of the system. The current resource covers <10% of the mapped mineralised trend, and magnetic intensity typically strengthens outside the initial MRE area – suggesting that untested strike has the potential to deliver similar or better outcomes than the initial discovery areas once drilled.

The maiden 148Mt MRE was delivered from ~17,000m of drilling. With the ongoing Phase 3 campaign (+20,000m) targeting step-out and extensional drilling along strike and down-dip, we see credible near-term potential for the resource to trend towards ~250Mt on a conservative metre-for-tonne basis, while maintaining broadly similar grades. In our view, the combination of a substantially enlarged land position, Bushveld-style geology and a still-under-drilled reef inventory underpins a compelling district-scale growth runway for TM1

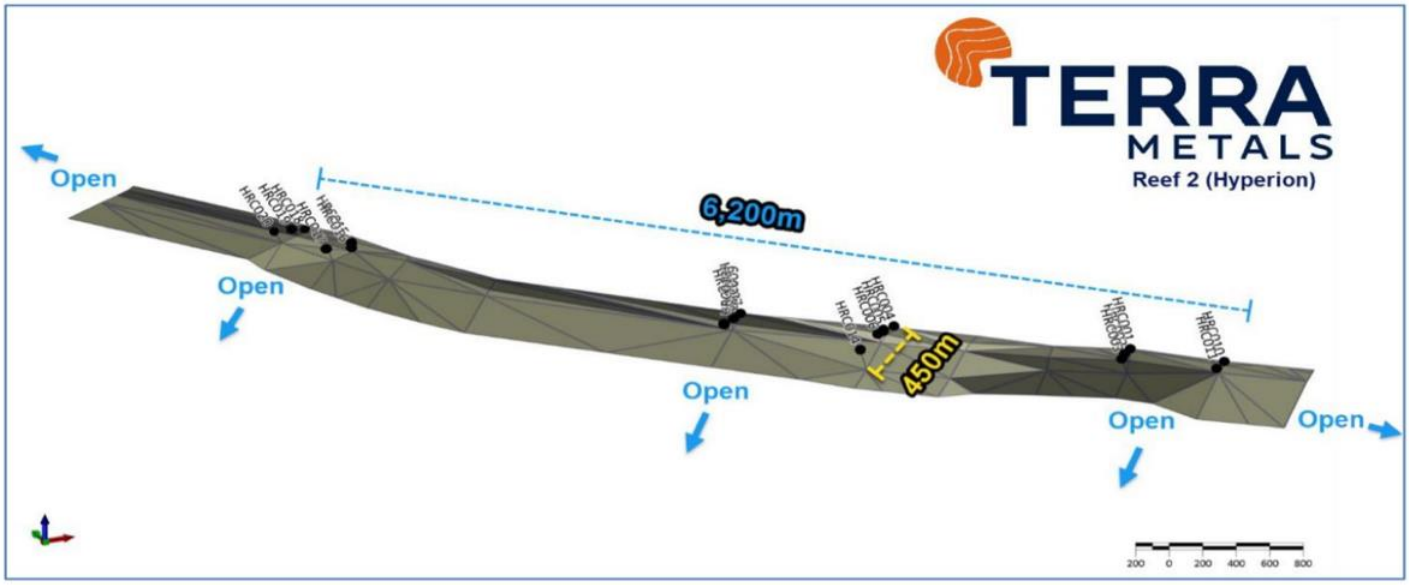

Figure 3.3.2 - 3D Visualisation of Reef 2 Along Strike

3.4 Sulphide Mineralisation – Further Upside

We see the Southwest discovery as the clearest path to material upside beyond the current Dante base case. TM1's maiden MRE at Dante stands at 148 Mt @ 14.8% TiO_2, 0.54% V_2O_5, 0.18% Cu and 0.33 g/t 3PGE (1.38% CuEq), with the resource footprint covering <10% of the mapped mineralised trend. The model already assumes shallow, laterally continuous magnetite–ilmenite reefs amenable to low-strip open-pit mining and a simple three-concentrate flowsheet.

The initial drilling at Southwest (SW3 / SW4) suggests the existence of a thicker, more sulphide-rich reef corridor outside the current MRE:

- **SWRC008**: 59 m @ **0.95% CuEq** & 172 ppm Co from 131 m, incl. 31 m @ **1.14% CuEq** & 198 ppm Co from 139 m.
- **SWRC005**: 61 m @ **0.70% CuEq** from surface, incl. 5 m @ 1.09% CuEq from surface, and 4 m @ 0.54% CuEq, **1,228 ppm Co & 0.16% Ni** from 5 m.
- **SWRC004**: 58 m @ **0.55% CuEq** & 185 ppm Co from 6 m, incl. 9 m @ 0.91% CuEq & 194 ppm Co from 20 m.

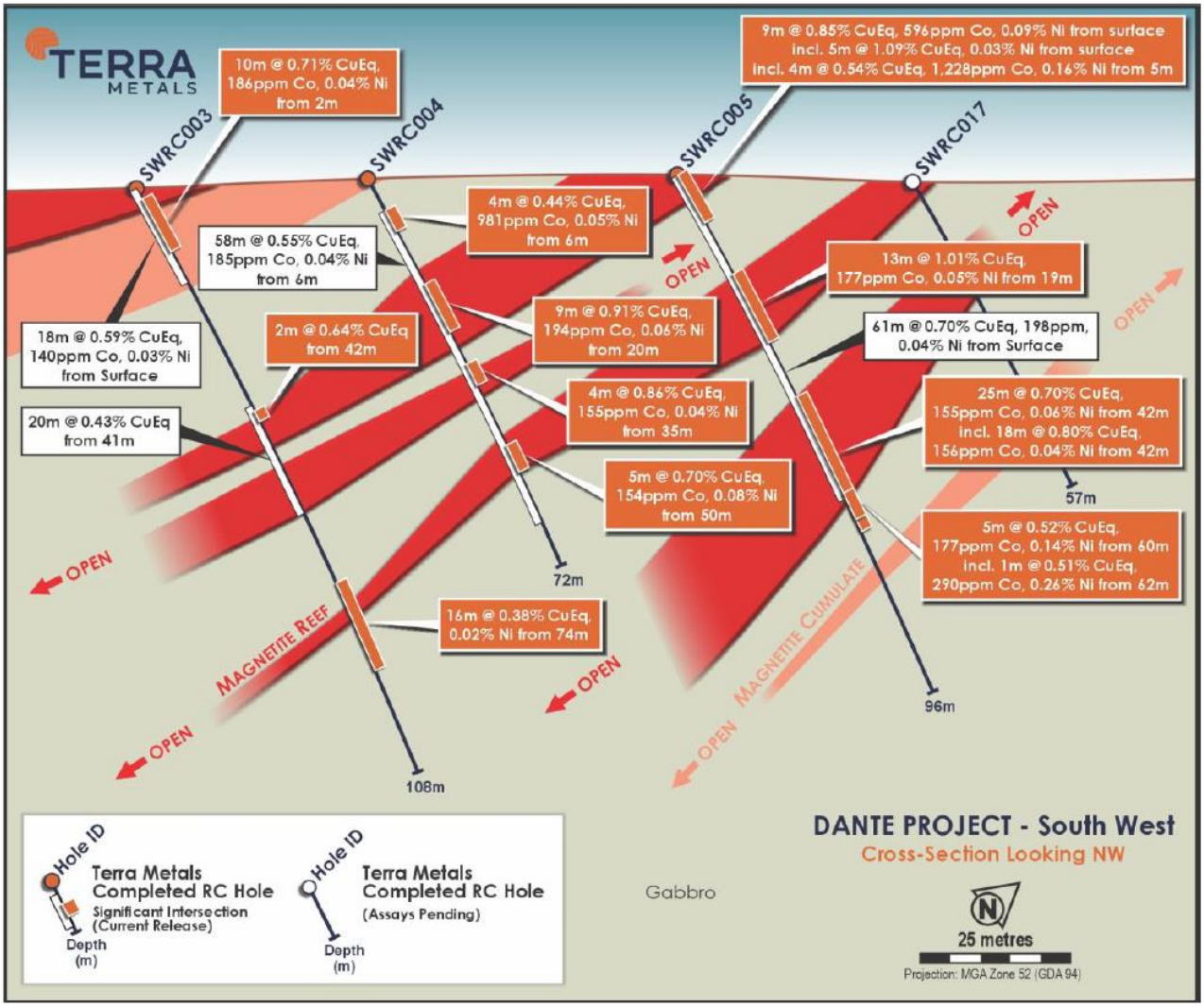

Figure 3.4.1 - Cross-Section at Dante Project Southwest

Southwest has returned true thicknesses of **58–59m**, roughly **5–10x** thicker than the 5–10 m reef widths used in the current Dante Reefs resource. If these zones prove continuous along strike, the contained metal per vertical metre could be materially higher. From a quality perspective, Southwest appears more sulphide-rich than the magnetite-dominated MRE area, with:

- Elevated Co (typically 150–200+ ppm, locally >1,000 ppm) and Ni within thick CuEq intervals.
- A metal association (Cu–Ni–Co–PGM hosted in pyrrhotite–chalcopyrite) that is well suited to conventional Cu–PGM sulphide flotation.

This sulphide "engine" complements Dante's existing oxide value (Ti–V in titanomagnetite–ilmenite) and could enhance by-product credits in any future payability structure for the Cu–PGM concentrate.

We note that the Southwest reef package is not yet included in the 148 Mt MRE, and results to date represent only 8 of 49 RC holes completed in the area, with assays pending on the balance of drilling plus DHEM surveys in six diamond holes targeting off-hole conductors. In our view:

- **Volume upside**: If the 50–60 m thick mineralised envelope at SW3/SW4 proves continuous along the mapped ~5 km of reef strike, we see potential for a material second resource hub at Southwest, on top of the existing Dante Reefs inventory.
- **Quality upside**: Higher sulphide tenor and elevated Co/Ni offer scope for improved CuEq head grades and stronger by-product credit support in a future economic study.
- **Valuation catalysts**: Ongoing assay releases, potential maiden Southwest MRE and any identification of semi-massive sulphide shoots (via EM) are key near- to medium-term triggers for a re-rating of Dante's scale and optionality.

Overall, we view Southwest as the principal **unpriced option** in TM1: success in defining a thick, laterally continuous sulphide-rich reef corridor would, in our view, shift Dante from a single-hub Ti–V–Cu–PGM project towards a **multi-corridor, district-scale system** with Tier-1 credentials.

4. Project Design

4.1 Shallow Low Strip Ratio Open Pit Mining

Dante is fundamentally a near-surface, shallow-dipping reef system, with mineralisation outcropping at surface and drilled to depths of ~240–285m below surface across the three MRE deposits (Crius/Reef 1 North, Hyperion/Reef 2 and Oceanus). The Dante Reefs are typically 5–10m thick, shallow-dipping and outcrop from surface, giving rise to a "blanket-style" orebody analogous to a coal seam rather than a steep, pipe-like orebody.

Within the MRE area, the stratiform Upper and Basal Reefs have:

- **Average thicknesses** of 9m (Upper Reef) and 4.9m (Basal Reef).
- **Strike lengths** of 4.4km at Crius, 6.6km at Hyperion and 1.6km at Oceanus (all open along strike).
- **Dips of 20–31° to the southwest**, modelled down to 240–285m below surface.

Weathering is relatively shallow, with the oxide/transition profile extending only ~20–30m below surface, which supports early, low-cost free-dig or lightly blasted material before transitioning into fresh rock. Given this geometry, we expect the Dante Project to be naturally suited to low strip ratio open pit mining, particularly in the early years.

Low strip ratio benefits:

- The combination of outcropping mineralisation, shallow dips (~20–30°) and continuous 5–10m-thick reef horizons imply a relatively thin waste cover over large part of the MRE.
- Conceptually, multiple staged pits could exploit mineralisation from surface down to ~150–200m before any potential need to consider underground options, keeping the waste:ore ratio structurally lower than for deeper, steeply dipping systems (no pit shells have yet been published).

Operational simplicity:

- The near-tabular, laterally extensive reef geometry is comparable to the magnetite layers of the Bushveld Complex, where large-scale truck-and-shovel operations have been the norm for decades.
- At Dante, we would expect a conventional open-pit layout with wide, continuous working faces along strike, relatively straightforward geotechnical domains, and simple ore–waste discrimination along well-defined reef contacts.

Cost efficiencies and capital intensity:

- A shallow, laterally continuous orebody with mineralisation from surface and to ~250m+ depth is well suited to large-scale, bulk mining, allowing fixed costs to be spread over high annual material movements.

4.2 Metallurgy & Processing

Ore from the shallow open pit is crushed, ground and milled at a nominal throughput of 3.75Mtpa before passing through a series of magnetic and flotation circuits that generate three saleable concentrates (V-magnetite, ilmenite and Cu–Au–PGM sulphides). Tailings are sent to a conventional TSF. Figure 4.2.1 below highlights a conceptual concentrator flowsheet which the DCF model was built on.

4.2.1 Phase 1.1 – Vanadium (2.0% V_2O_5 V-Magnetite Concentrate from LIMS)

After milling, the slurry first passes through **low-intensity magnetic separation (LIMS).** LIMS recovers the strongly magnetic **V-magnetite fraction**, producing a **V-Mag concentrate grading 2.0% V_2O_5**.

1. Testwork indicates 91% V_2O_5 recovery into V-Mag**,** with only 10% of TiO_2 mass pulled at this stage modelled to be conservative but likely to be less.
2. The V-Mag concentrate is stockpiled on site and forms feed for the downstream SRL**,** where it is upgraded to ≥98–99.5% V_2O_5 flake.
3. At Dante, titanium is predominantly liberated as coarse ilmenite while vanadium reports to magnetite, allowing the two value streams to be physically separated with low-cost magnetic separation.

Implication: Vanadium is recovered early, in a low-risk magnetic circuit, with high recovery and attractive concentrate grade, de-risking the SRL feed.

4.2.2 Phase 1.2 – Titanium (50% TiO_2 Con from WHIMS/MIMS + Reverse Float)

LIMS tails proceed to wet high/med-intensity magnetic separation (WHIMS/MIMS).

1. This stage captures the weakly magnetic ilmenite, with 65% of TiO_2 reporting to the ilmenite magnetic fraction.
2. The initial ilmenite concentrate is produced at around 45% TiO_2.
3. To upgrade and clean the product, the concentrate is treated through a reverse silica flotation circuit (removing silicate gangue):
    - Reverse float operates at ~88% mass pull.
    - A subsequent cleaner stage achieves 98% TiO_2 recovery, delivering a final ilmenite concentrate grading 50% TiO_2.

Implication: a simple WHIMS/MIMS + reverse silica float flowsheet generates a high-grade ilmenite product using well-understood unit operations, supporting a low-cost TiO_2 concentrate business.

4.2.3 Phase 1.3 – Cu–Au–PGM Sulphides (Sulphide Flotation)

The non-magnetic fraction from WHIMS/MIMS feeds the sulphide flotation circuit.

1. A rougher flotation pulls only 1.69% of mass, selectively upgrading the sulphide minerals.
2. Cleaner/recleaner stages then produce a Cu–Au–PGM concentrate averaging 14% CuEq.
3. Phase-1 flotation testwork returned excellent recoveries:
    - Cu recovery: 95.8%
    - Au recovery: 75.8%
    - 3PGE recovery (Pt+Pd+Au): 74.4%
4. Flotation tails are pumped to the TSF, while the Cu–Au–PGM concentrate is trucked/railed to Esperance and sold to third-party smelters.

Implication: The sulphide circuit pulls a very small mass at very high recoveries, generating a clean, high-value copper-PGM concentrate with minimal additional complexity

4.2.4 Phase 2 - Vanadium Flake (V205≥ 98.0%) & Vanadium Powder (V205≥ 99.5%)

Within the SRL, the 2.0% V-Mag concentrate undergoes a conventional series of hydrometallurgical steps:

1. Feed preparation + salt addition, blending the concentrate with sodium salts.
2. Salt roast, where the mixture is heated to form water-soluble sodium vanadates. Off-gases are treated in a gas quench and scrubber to produce clean gas.
3. The roasted calcine is quenched, reground and leached, dissolving vanadium into solution.
4. Vanadium is then recovered from solution via AMV (ammonium metavanadate) precipitation.
5. Finally, AMV is calcined to produce high-purity V_2O_5 products.

Although TM1's metallurgical program has not yet produced V_2O_5 flake in testwork, the company has confirmed that its V-Mag concentrate is *"suitable for producing high-purity vanadium pentoxide flake."* For modelling purposes, we assume a conservative 83% recovery from V-Mag concentrate based on comparables through to final V_2O_5 product under a conventional Salt Roast Leach (SRL) flowsheet.

We allocate this output between 70% V_2O_5 flake (>99.0%) and 30% high-purity V_2O_5 powder (≥99.5%), a market-consistent blend that will ultimately depend on offtake mix, end-market pricing, product specifications and processing constraints.

Key implication: Vanadium is captured early through a simple, low-risk magnetic separation circuit, before being upgraded via a well-established downstream RLP refining process to produce premium V_2O_5 products. Combining 91% recovery into the V-Mag concentrate with 83% refinery recovery yields strong overall vanadium recoveries, materially de-risking Dante's vanadium revenue contribution and supporting TM1's positioning as a future supplier of high-purity critical minerals.

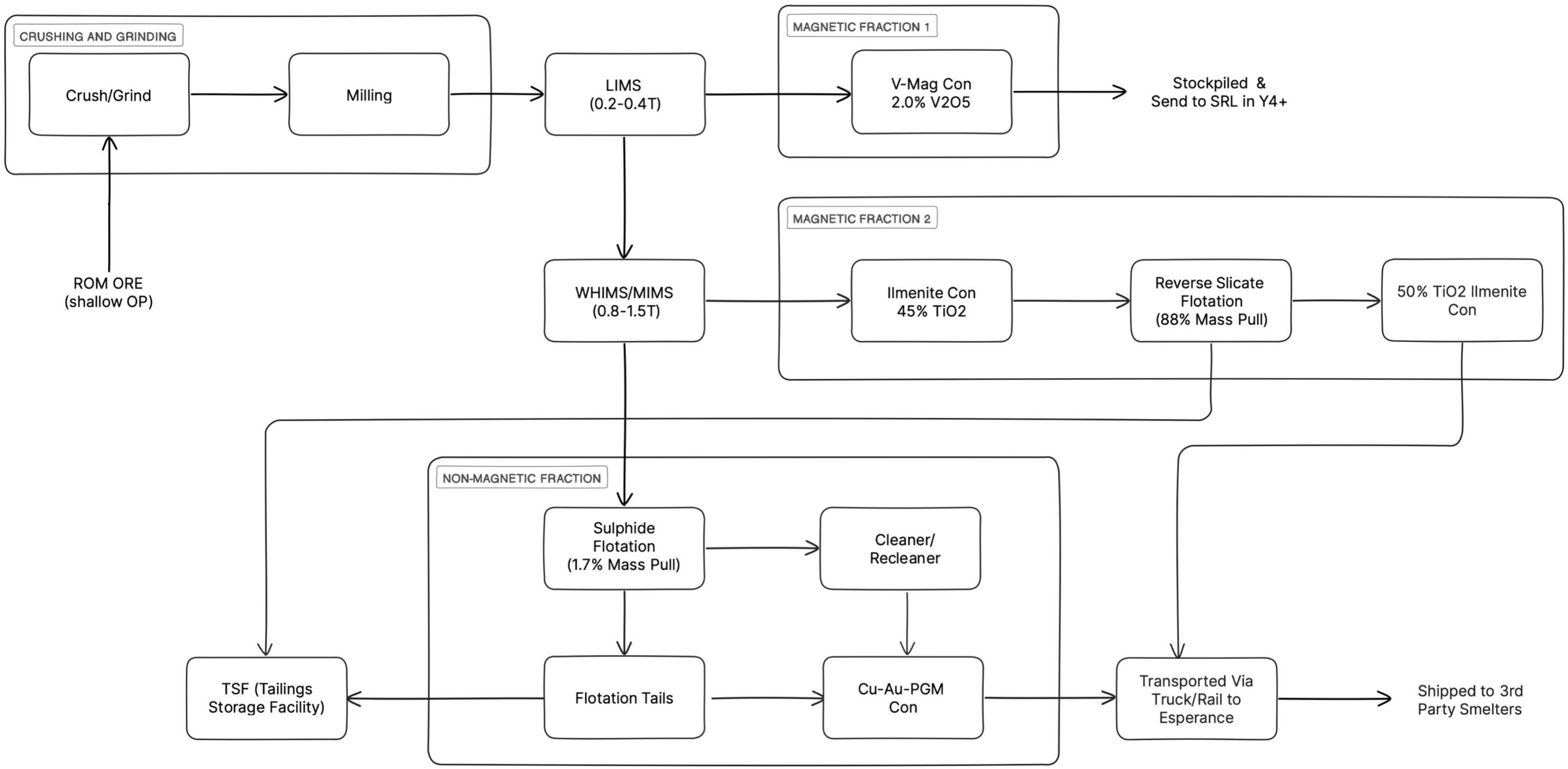

Figure 4.2.1 - Dante Project Conceptual Concentrator PFD (Source, Evolution Capital)

5. Project Risks

5.1 Resource, Geology & Mine Plan Risk

Reliance on Inferred material: The current MRE for Dante totals 148Mt at 0.54% V_2O_5, 14.8% TiO_2 and 0.18% Cu, of which only 38Mt (26%) is Indicated; the remainder is Inferred. The base-case mine plan draws on 93Mt of inventory comprising 100% of the Indicated and 50% of the Inferred resource. There is a material risk that not all Inferred material converts to Indicated/Reserves at similar grade or continuity, which could shorten mine life, lower head grades or require redesign of the pit sequence.

Continuity & geometry of the reefs: The Dante Reefs are relatively flat-lying, stratiform Ti-V-Cu-PGE layers over ~20km of strike and to >250m depth but have only been tested on a small portion of the >80km prospective trend. Although drilling to date suggests strong lateral continuity, further step-out drilling may reveal local structural disruption, variable thickness or grade zonation that could affect strip ratios and mine scheduling.

Geotechnical assumptions: The conceptual mine design assumes large, low-strip (2:1 W:O), truck-and-shovel open pits based on coal-style, horizontal bedding. Geotechnical work is at an early stage; unfavourable rock-mass conditions, weathering profiles or groundwater regimes could necessitate smaller pits, additional wall support or lower pit depths, increasing costs or sterilising material.

5.2 Metallurgical & Concentrator Risk

Limited testwork coverage: Phase-1 testwork on the Jameson Intrusion has delivered encouraging results, with 91% V_2O_5 recovery into a 1.81% V_2O_5 V-magnetite concentrate, 65% Ti recovery into a 45% TiO_2 ilmenite concentrate and strong recoveries from the Cu-Au-PGM flotation circuit. However, this work has been completed on a limited set of composite samples. There is risk that recoveries, concentrate grades or reagent consumptions vary across different reefs, depth domains or ore types as the resource is expanded.

Scale-up and operating risk in the concentrator: The flowsheet is conceptually simple (crush–grind–LIMS/WHIMS–flotation) at 3.75Mtpa throughput, producing three separate concentrates. Scaling to commercial operation may expose issues not evident at bench scale, including grinding energy, equipment sizing, silica float performance, froth handling and variability in magnetic separation performance. Sub-optimal recoveries or downtime could reduce payable tonnes and margin.

Ti–V deportment assumptions: Dante's value proposition partly relies on decoupling Ti and V into separate products, with minimal TiO_2 mass pulled into the V-magnetite stream and the remainder into an ilmenite concentrate. If Ti deportment to V-magnetite is higher than assumed, this could:

- Reduce ilmenite output.
- Increase sodium reagent consumption in the SRL.
- Complicate downstream leach chemistry, eroding both Ti and V economics.

Product quality and penalty risk: Commercial terms for the Cu-Au-PGM and ilmenite concentrates will depend on deleterious elements (e.g., MgO, Cr, U/Th, S, As, alkalis). Bench-scale work suggests "clean" products, but smelter/upgrade plants may impose quality thresholds, blending requirements or penalties that differ from our model assumptions.

5.3 Salt Roast Leach Plant (SRL) & Downstream Vanadium Risk

SRL technology & execution: The concept is for a 900ktpa SR commissioning in 2034 to convert stockpiled V-magnetite into 15.0ktpa V_2O_5 flake/powder over 28 years. While the roast–leach–precipitation flowsheet is conventional, Phase-1 work has not validated a flake product and the 83% V_2O_5 recovery through the SRL is conceptual and based on benchmarking against similar comps. Building and operating a large-scale plant in a remote location also remains a key technical risk. Refractory performance, off-gas management, reagent recycling, impurity control and scaling can all impact availability and operating cost.

Vanadium market absorption: At steady state the SRL would produce 15.0ktpa V_2O_5 equivalent, ~14% of current global V_2O_5 output. Introducing such volume into a relatively thin market carries price and offtake risk. If new demand (e.g., VRFB, high-strength steel, aerospace) does not grow as expected, TM1 may face weaker pricing, slower contract ramp-up or the need to stage SRL throughput more conservatively than modelled.

5.4 Capital Intensity, Funding & Dilution Risk

Capital intensity and funding risk: Dante requires substantial upfront and staged capital relative to TM1's current scale. Our base-case assumes ~US$291m of pre-production capex for the mine and 3.75Mtpa concentrator, followed by ~US$192m for the 900ktpa SRL expansion – a combined funding task that is large versus TM1's ~A$99m market capitalisation. Multiple rounds of equity, debt and/or strategic or offtake-linked funding will be required. There is a clear risk that project finance is more expensive, slower to secure or more dilutive than we assume, particularly if equity markets weaken or project milestones slip.

Discount Rate & Cost of Capital Risk: The Dante Project's valuation is highly sensitive to the cost of capital given its long operating life, front-loaded capex and back-ended vanadium and titanium cash flows. Our NPV sensitivities indicate that a ±2 percentage-point move around the 10% base-case discount rate drives an NPV swing of roughly US$160m – the single largest impact of any parameter in the model. Any deterioration in global risk sentiment, sector risk premia, financing conditions, permitting timelines or project execution could push the long-term discount rate higher and compress project NPV. Conversely, successful de-risking through resource growth, metallurgy, permitting and strategic partnerships should support a structurally lower cost of capital over time.

Balance sheet, leverage & covenant risk: A debt-heavy funding solution would expose TM1 to interest-rate, FX and covenant risk, particularly through the pre-SRL phase when cash flows are dominated by TiO_2 and Cu–PGM concentrates. Underperformance versus plan – whether from grade, recovery, ramp-up or price – could reduce interest-cover and leverage headroom, forcing refinancing, covenant waivers or equity top-ups at depressed share prices. The ultimate mix of equity, conventional project debt, offtake pre-payments and/or streaming arrangements will therefore be critical to both shareholder dilution and downside resilience.

5.5 Operating Cost, Logistics & Infrastructure Risk

Remote location and long logistics chain: Dante is located in the West Musgrave, 15km north of BHP's Nebo-Babel project, and relies on a ~1,450km multimodal haul to Esperance Port (trucking ~800km to Leonora, rail via Kalgoorlie, then Esperance). Transport is a major cost driver; a ±15% change in transport cost shifts NPV by ±US$59m. Any increase in diesel prices, rail tariffs, road maintenance charges, moisture assumptions or regulatory constraints on heavy-haul routes would pressure margins.

Power, water and consumables: The project intends to leverage regional infrastructure (airstrip, grid power, existing town), but detailed power and water solutions have not yet been defined at feasibility level. Higher-than-assumed power tariffs, water sourcing/treatment costs, or reagent prices (soda ash, Na_2SO_4, grinding media, flotation reagents) would increase AISC.

Mining cost variance: While the flat-lying geometry supports low-strip open-pit mining, actual unit mining costs will depend on contractor rates, fuel, maintenance and productivity. If bulk mining assumptions prove too optimistic, the cost advantage vs deeper or more structurally complex peers could narrow.

5.6 Commodity Price & Market Risk Risk

High leverage to TiO_2 and vanadium prices: NPV sensitivity analysis shows project value is most exposed to TiO_2 concentrate and V_2O_5 flake price assumptions: a ±15% move in TiO_2 drives a ±US$93m NPV swing, while the same change in V_2O_5 flake price shifts NPV by ±US$77m. Copper is the next-largest driver at ±US$68m for a ±15% move. Prolonged weakness in pigment or steel/battery markets, or structural changes in vanadium supply, would materially impact returns.

NSR timing & mix risk: In Years 1–3 (2030–33), all NSR is generated from TiO_2 and Cu-Au-PGM concentrates; vanadium only contributes from 2034 once the SRL is online. Early-life economics are therefore tightly linked to TiO_2 pigment and refined copper markets. A downturn in these commodities around start-up would hurt payback and could constrain funding for the SRL.

5.7 Offtake, Marketing & Counterparty Risk

Concentrate marketing risk: Dante plans to sell ilmenite and Cu-Au-PGM concentrates into global markets and V_2O_5 flake/powder to steel and battery/chemical customers. No offtake agreements are in place at this stage. There is risk around the timing, tenor and pricing formulas of future contracts, and around counterparty credit.

Specification & blending risk: Custom smelters and pigment/synthetic-rutile producers may require specific particle size distributions, impurity levels and bulk shipment sizes. If Dante's products require blending, additional processing or incur higher penalties than assumed, realised pricing could be lower than the modelled benchmark-linked terms.

Strategic partner alignment: Any future strategic investor or offtake-linked funder (e.g., major steel, pigment or battery player) may seek preferential terms, marketing rights or operating influence. Misalignment between such partners and minority shareholders could affect project strategy, expansion timing or capital allocation.

6. Management

TM1's leadership team combines deep capability across exploration, project development, geoscience and corporate governance. The group brings backgrounds spanning Greenfields discovery, resource definition, operations and specialist expertise in structural geology, geochemistry and layered intrusive systems. This technical strength is complemented by disciplined financial oversight and ASX-listed company management experience, positioning TM1 with the capability and strategic focus needed to advance its portfolio with rigour and clarity.

IAN MIDDLEMAS, Executive Chairman

Mr Middlemas is a Chartered Accountant and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience and is currently a Director with numerous publicly listed companies in the resources sector. Mr Middlemas was appointed as a Director of the Company on 16 October 2013 and as Chairman on 7 January 2014.

THOMAS LINE, Chief Executive Officer & Managing Director

Thomas Line is an experienced geologist, project generator and executive with 14 years' experience in mining, exploration and resource development including his most recent role as CEO of Taruga Minerals Ltd (ASX: TAR). Mr Line holds a Bachelor of Science (Honours) in Geology, highlighting his deep knowledge in the field. He is a member of the Australian Institute of Geoscientists.

BEN CLEARY, Non-Executive Director

Ben Cleary is a Portfolio Manager and Director of Tribeca Investment Partners. He has had an extensive career in the natural resources sector over the last 20 years and the Tribeca Global Natural Resources strategies that he manages have been involved in over US$10Bn of transactions. Mr Cleary holds a Bachelor of Economics from the University of Queensland, a Graduate Diploma in Applied Finance from FINSIA and is a member of the Australian Institute of Company Directors.

HAYDN SMITH, Non-Executive Director

Haydn Smith is the Managing Director of Wundowie Carbon, a biocarbon business focused on reducing GHG emissions. He previously managed the Natural Resources Credit business at Tribeca Investment Partners following a 20-year career at Macquarie Bank where he was an Executive Director & Executive Committee Member with the Commodities and Markets Group. Mr Smith holds a Bachelor of Commerce from the University of Sydney, a Graduate Diploma in Applied Finance from FINSIA and is a Graduate of the Australian Institute of Company Directors.

Dr SOL BUCKMAN, Chief Geologist

Dr Solomon Buckman is a senior structural and economic geologist with 30+ years of exploration, mapping and academic experience. He holds a PhD in Geology (University of Hong Kong) and a BSc (Hons) in Geology (University of Sydney), with career expertise spanning ore petrography, zircon geochronology, layered-intrusion architecture, and critical-minerals targeting. Dr Buckman previously served as Associate Head of School at the University of Wollongong, where he has been an influential academic since 2007—training more than a generation of Australian geoscientists while maintaining an active research profile in structural geology and magmatic systems.

Dr EVAN KIRBY, Chief Metallurgist

Dr Evan Kirby is a highly credentialed metallurgist with more than 40 years' global experience in process design and evaluation across gold, copper, PGMs, vanadium, lithium, graphite and base metals. He holds both a BSc and PhD in Metallurgy from Newcastle University and has held senior technical and operations roles with Impala Platinum, Rand Mines, Rustenburg Platinum Mines, Minproc Engineers and Bechtel, including serving as Bechtel's Mining & Metals Technology Manager. Dr Kirby has led metallurgical programs, plant expansions and project studies across the Bushveld, Scandinavia and Australia, and has overseen concentrator design, optimisation and technology implementation for multiple PGM producers including Anglo Platinum, Rand Mines, Aquarius, Stillwater and Sylvania.

Dr SCOTT HALLEY, Chief Geochemist

Dr Scott Halley is a leading exploration geochemist who has advised more than 150 mining and exploration companies across 25+ countries over the past 14 years. With 20 years' prior experience as an exploration geologist, he is recognised for applying geochemistry practically and effectively to discovery, targeting and mining challenges. Dr Halley is a regular presenter in the CODES MSc (Econ Geol) program and a frequent invited speaker at international geology conferences. He holds a BSc (Hons I) from the University of Tasmania (1982) and a PhD from the Australian National University (1987).

Evolution Capital Ratings System

Recommendation Structure	• **Buy:** The stock is expected to generate a total return of >10% over a 12-month horizon. For stocks classified as 'Speculative', a total return of >30% is expected. • **Hold:** The stock is expected to generate a total return between -10% and +10% over a 12-month horizon. • **Sell:** The stock is expected to generate a total return of <-10% over a 12-month horizon.
Risk Qualifier	• **Speculative:** This qualifier is applied to stocks that bear significantly above-average risk. These can be pre-cash flow companies with nil or prospective operations, companies with only forecast cash flows, and/or those with a stressed balance sheet. Investments in these stocks may carry a high level of capital risk and the potential for material loss.
Other Ratings:	• **Under Review (UR):** The rating and price target have been temporarily suppressed due to market events or other short-term reasons to allow the analyst to more fully consider their view. • **Suspended (S):** Coverage of the stock has been suspended due to market events or other reasons that make coverage impracticable. The previous rating and price target should no longer be relied upon. • **Not Covered (NC):** Evolution Capital does not cover this company and provides no investment view.

Expected total return represents the upside or downside differential between the current share price and the price target, plus the expected next 12-month dividend yield for the company. Price targets are based on a 12-month time frame.

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