

Emerging Tier-1 Copper Resource in WA

We initiate coverage on Terra Metals (ASX: TM1) with a 12-month target price of A\$0.082, representing a 215% upside from the current share price of A\$0.026. This valuation reflects the scale, geological potential, and strategic relevance of the company's flagship Dante Project in Western Australia—a large polymetallic system containing copper, titanium, gold, PGEs and vanadium across an 80km mineralised corridor. The project's *shallow, flat-lying, outcropping mineralisation, which resembles a coal seam, is highly amenable to low-strip, open-pit mining, supported by encouraging early-stage drill results and exceptional metallurgy.* With access to established infrastructure and neighbouring tenement holders — including BHP, Rio Tinto, and KoBold Metals (backed by Bill Gates and Jeff Bezos) — TM1's Dante Project is well-positioned to benefit from both low-cost development and rising demand for critical minerals. The recent acquisition of neighbouring tenements further strengthens TM1's footprint, positioning the company as a district-scale player and a compelling strategic target.

Scale, Grade, and Exceptional Metallurgy

A maiden JORC Resource Estimate is currently underway at the Dante Project, with our analysis indicating a potential range from 60–200Mt at an average grade of ~1.5% CuEq—representing just 10–15% of the broader 80km outcropping strike. Based on this footprint, we estimate the project-wide resource potential at 425–981Mt @ 1.5% CuEq, containing 893–3,041kt of copper, 1.37–6.31Moz of gold, 2.1–4.9Mt of V₂O₅, 60–204Mt of TiO₂, and 3.69–15.7Moz of PGMs, with an in-situ value of US\$60.5–139.8 billion. Metallurgical test work confirms Dante's exceptional simplicity and potential, delivering three high-grade concentrates with high recoveries:

- o Copper 28% Cu, 17g/t Au, 22.4g/t PGM (95.6% Cu Recovery)
- 0 Vanadium 1.81% V₂O₅ concentrate (90.5% V₂O₅ recovery)
- o Titanium 40% TiO₂ concentrate (65% TiO₂ recovery)

Attractive valuation with significant upside

Our valuation of TM1 highlights the company's substantial upside potential, underpinned by its strategic exposure to critical minerals, near-surface geology, and upcoming exploration catalysts. In our Base Case, we derive an equity value of A\$31.4 million, equating to A\$0.072 per share, while the Bull Case reaches A\$40.1 million, or A\$0.092 per share. This implies a 12-month upside of 176%–253% from the current share price of A\$0.026, with a midpoint target price of A\$0.082 per share. The valuation applies a conservative resource range based on the 60–110Mt initial Dante exploration target and does not fully incorporate the broader project-wide potential, which we estimate at 425–981Mt.

Valuation (A\$m)	Base case	Bull case
Implied EV	30.23	38.88
Debt	-	-
Cash (adjusted)	1.22	1.22
Equity value	31.43	40.08
Assumed Total Diluted Shares 0/S (m)	437.22	437.22
Implied price (A\$)	0.072	0.092
Current price (A\$)	0.026	0.026
Upside (%)	176.5%	252.6%

Metals & Mining

Date	29 May 2025
Share Price (A\$)	0.026
Target Price (A\$)	0.082
Price / NAV (x)	0.32x
Market Cap (A\$m)	10.1
52-week L/H (A\$)	0.0175/0.1050
Free Float (%)	84.20%
Bloomberg	TM1:AU
Capital IQ	TM1.AX

Price Performance (A\$)



Business description

Terra Metals Limited (ASX: TM1) is an Australian exploration company focused on developing high-grade titanium, copper, PGMs, gold, and vanadium deposits at its flagship Dante Project in Western Australia. With recent discoveries confirming extensive polymetallic mineralisation, Terra Metals is strategically positioned to capitalise on the growing global demand for critical minerals

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.



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Investment Rationale

Terra Metals Limited (ASX: TM1) is an emerging critical minerals explorer advancing a highly prospective portfolio of multi-commodity projects in Tier-1 mining jurisdictions across Western Australia. Its flagship asset, the Dante Project, is a large-scale, mafic-ultramafic intrusive complex in the West Musgrave province—an underexplored yet richly endowed region hosting globally significant deposits. Dante targets a unique and strategically important blend of titanium dioxide (TiO_2), copper, gold, and vanadium pentoxide (V_2O_5), and platinum group elements (PGEs). The project is characterised by widespread, outcropping mineralisation across a 80km strike and coincident geophysical anomalies, with early fieldwork confirming high-grade mineralisation from sampling and drill results.

Mineralisation at the Dante Project is hosted in large, coherent, near-surface deposits, ideally suited to low-strip-ratio, open-pit mining, with substantial infrastructure advantages. The project is located just 50km from the Central Highway, a major sealed transport corridor that provides direct access to regional mining hubs and export routes. It also benefits from proximity to key logistical and operational infrastructure, including grid power, telecommunications, and an operational airstrip nearby—features that are rare for a project at this stage of development. The Dante tenament is surrounded by tenure held by major players including BHP and KoBold Metals, an artificial intelligence–driven exploration company backed by Jeff Bezos and Bill Gates. It also lies near a large-scale exploration initiative by Rio Tinto, providing strong regional endorsement of the underlying geology and highlighting the significant institutional interest in the West Musgrave region.

In addition to its geological scale and mining simplicity, Dante stands out for its exceptional metallurgy—an uncommon advantage in polymetallic systems. Initial testwork has demonstrated strong recoveries across copper, gold, vanadium, and PGEs using simple, conventional flotation and magnetic separation techniques. These results not only confirm the technical viability of producing high-grade concentrates at low cost, but also significantly de-risk project development by reducing processing complexity and future capital requirements.

Critical Minerals and Gold: Dual Exposure to Structural Global Themes

The Dante Project is strategically aligned with long-term global demand growth across a suite of critical minerals. Titanium is essential for pigments, aerospace alloys, and advanced coatings, while vanadium plays a vital role in grid-scale vanadium redox flow batteries (VRFBs) and steel hardening. Copper remains the backbone of electrification infrastructure, and PGEs are indispensable for hydrogen fuel cells, automotive catalytic converters, and other clean technologies. Dante is also expected to contain a substantial volume of gold. Given the scale of the mineralised footprint, the consistent presence of gold across multiple reef horizons, and the current backdrop of record-high gold prices, the gold content at Dante could represent a significant value driver alongside the broader critical minerals suite. In addition to Dante, TM1 also offers two early-stage assets, Onslow Copper-Gold-Silver Project in the Pilbara and the Southern Cross Lithium Project, providing further potential upside following any exploration success.

Experienced Leadership, Technical Depth, and Robust Financials Position

Terra Metals is led by a technically driven and strategically experienced team with strong credentials in exploration, project development, and resource-sector capital markets. Managing Director and CEO Thomas Line is a geologist with over 12 years of industry experience, including leadership roles at ASX-listed explorers and a track record spanning greenfields discovery to early-stage development.

TM1's initial sampling and geophysical data indicate the presence of a vertically extensive mineralised system, highlighting strong potential for a significant, globally relevant polymetallic discovery. Chairman Ian Middlemas brings extensive corporate leadership across multiple ASX resource companies and was a senior executive at Normandy Mining prior to its merger with Newmont. The technical team includes Dr Evan Kirby, a metallurgist with over 40 years of experience and strong knowledge with Bushveld-style systems, and Dr Scott Halley, a globally recognised geochemist who has advised more than 150 exploration and mining companies. Governance and financial oversight is provided by Gregory Swan, a Chartered Accountant with nearly two decades of experience in the resources sector.

As of March 2025, Terra Metals held A\$1.22 million in cash and no debt, providing the financial flexibility to advance its maiden resource estimate, complete Phase 2 metallurgical optimisation, and continue systematic exploration across its district-scale Dante Project.

Responsible Discovery Approach to Critical Minerals Exploration

Terra Metals demonstrates a clear commitment to ESG principles, embedding sustainability and responsible exploration at the core of its operations. At the flagship Dante Project, exploration programs are designed to be low-impact and environmentally conscious, utilising non-invasive methods such as surface sampling and airborne geophysics to minimise land disturbance in the early phases. The company is proactive in engaging with Traditional Owners and local stakeholders, prioritising open dialogue, community consultation, and early-stage relationship building to foster trust and ensure local benefits through potential employment, training, and contracting opportunities.

TM1 is well positioned to benefit from growing institutional demand for ESGaligned investments, as Western nations aim to secure critical minerals like vanadium and titanium from lowerrisk jurisdictions. **Terra Metals also places strong emphasis on ethical supply chain development, aligning its strategy with the growing global focus on sourcing critical minerals from jurisdictions that uphold high environmental and social standards.** In doing so, TM1 positions itself to benefit from increasing institutional preference for ESG-aligned investments—particularly as Western economies seek to reduce dependence on high-risk regions for critical minerals such as copper, vanadium and titanium. This strategic approach not only supports long-term permitting and development pathways, but also enhances TM1's appeal to capital providers focused on sustainable, transparent, and ethically sourced resource opportunities.

Undervalued Relative to Geological Potential, Peer Benchmark, and Strategic Location

Terra Metals presents a rare opportunity to gain early-stage exposure to a potentially worldclass, multi-commodity discovery at its flagship Dante Project in Western Australia. Despite the project's compelling fundamentals—highlighted by scale, near-surface mineralisation, favourable metallurgy, and proximity to critical infrastructure—**TM1 currently trades on an enterprise value below A\$10 million. This is a fraction of the valuation commanded by peers operating in similar geological settings or targeting comparable energy-transition metals, and notably, without Dante's strategic advantages.** Located near sealed roads, gas pipelines, and export ports, Dante benefits from a distinct infrastructure edge that significantly reduces potential development hurdles and capital intensity. The presence of major producers in the region further enhances the project's strategic visibility.

Our valuation analysis applies a peer-based EV/in-situ resource methodology using 1-year average commodity prices. The valuation conservatively includes only 35% of the TM1 resource in the base case and 45% in the bull case, reflecting the fact that the company has not yet published a JORC-compliant Mineral Resource Estimate. Based on a sector median EV/in-situ multiple, we estimate a Base Case enterprise value of A\$30.2 million (A\$0.072/share) and a Bull Case valuation of A\$40.1 million (A\$0.092/share), implying 176% to 253% upside from TM1's current share price of A\$0.026.

Importantly, the model does not factor in potential upside from underlying project economics, which are likely to be materially more favourable than many peers. Unlike companies such as Chalice Mining (ASX: CHN), Australian Vanadium (ASX: AVL), and Galileo Mining (ASX: GAL) which target deeper, more complex orebodies with higher capex requirements—Dante's flat-lying, near-surface mineralisation is amenable to low-strip, open-pit mining and conventional magnetite separation, suggesting materially lower operating and development costs. In addition, the model does not incorporate the benefits of Dante's exceptional metallurgy, which represents a significant de-risking advantage, nor any upside from TM1's early exploration projects; Onslow and Southern Cross. As such, the valuation remains deliberately conservative, leaving meaningful upside as further technical studies advance.

M&A Tailwinds and Terra as a Likely Target

In 2024, Australia's mining sector experienced a significant surge in mergers and acquisitions (M&A), with total deal value reaching A\$14.2 billion among the mid-tier 50 mining companies (MT50). This marks a substantial increase from previous years, underscoring the sector's growing attractiveness to investors and the strategic importance of critical minerals. The recent emphasis on critical minerals, essential for the global energy transition, has further intensified M&A pursuits, with critical minerals deals comprising 90% of all M&A activity in 2023.

Looking ahead, the Australian M&A market is **poised for continued growth, supported by factors such as anticipated interest rate cuts, policy certainty post-federal election, and a substantial pool of deployable capital**. These conditions suggest a favourable environment for strategic acquisitions, particularly in sectors like mining, where assets like Terra Metals' Dante Project could become attractive targets for institutional investors seeking long-term value.

With its expansive geological footprint, polymetallic endowment, and strategic location within a cluster of globally significant mining operations, **Terra Metals (ASX: TM1) is increasingly emerging as a natural acquisition candidate** for larger resource groups seeking long-term exposure to critical minerals in Tier-1 jurisdictions. The company's Dante Project—positioned in the West Musgrave region of Western Australia—lies adjacent to or within logistical reach of projects controlled by BHP, Rio Tinto, and KoBold Metals, all of which have demonstrated active interest in securing early-stage positions in high-potential copper, titanium, gold and PGE assets. Recent M&A trends across the Australian mining sector have shown that majors are increasingly targeting projects that offer multi-decade life and alignment with decarbonisation themes. Terra Metals ticks these boxes. From a TM1 shareholder perspective, **any future strategic investment**, **joint venture, or full-scale acquisition would likely crystallise substantial value**, given the company's modest current valuation relative to its resource potential and the clear strategic relevance of its location.

When reviewing Australian M&A transactions, we see **acquirers prioritising projects that offer scale**, **long mine lives and commodity relevance** while also being located within established mining corridors where infrastructure can be leveraged or expanded efficiently. Recently, in the critical minerals space, we saw the A\$393m all-cash acquisition of Rex Minerals by MACH Metals in October 2024. With copper positioned at the core of the global electrification agenda, MACH's offer represented a near 80% premium to Rex's trailing VWAP, reflecting the urgency with which acquirers are securing exposure to long-life, development-ready assets. While Hillside is at a more advanced stage than Terra Metals' Dante Project, the underlying rationale is strikingly similar: **acquiring scale in high-grade systems within low-risk jurisdictions before competition intensifies and supply chains tighten.**

The acquisition of **adjoining or nearby tenements is a recurring feature in mining M&A activity**, driven by the strategic and economic benefits of consolidating operations within a defined district. Proximity allows acquirers to unlock meaningful efficiencies through shared processing infrastructure, reduced overheads, simplified logistics, and streamlined permitting, while also eliminating tenement fragmentation that can otherwise delay or complicate project development. A prime example of this dynamic is Astral Resources' acquisition of Maximus

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Resources last month. By consolidating the high-grade Wattle Dam and broader Spargoville tenements into its existing footprint, Astral materially expanded its gold resource base to 1.8Moz and removed key development constraints around its cornerstone Mandilla Project. The transaction was less about headline ounces and more about unlocking latent value through tenure rationalisation and regulatory de-risking. Given its proximity to a cluster of major operators and its district-scale potential, TM1 presents a highly strategic acquisition opportunity.

Further reinforcing the theme of resource adjacency and long-term consolidation, Australian Vanadium's A\$217 million acquisition of Technology Metals Australia, completed in February 2024, created one of the largest combined vanadium footprints globally. By merging contiguous tenements along the Gabanintha orebody, AVL de-risked processing flowsheet optimisation and enhanced project economics. For Terra Metals, which also hosts titanium-vanadium mineralisation at Dante, in addition to its copper and PGE systems, AVL's transaction serves as another datapoint validating the premium placed on multi-decade-scale assets.



This prime location is supported by a strong regulatory framework, pro-mining state policies, and excellent infrastructure including grid power, sealed roads, airstrips, and telecom access situated near BHP's multi-billion-dollar Nebo-Babel nickelcopper project.

Flagship Dante Project: Multi Commodity Powerhouse with Low Costs

Terra Metals is rapidly advancing the Dante Project, a world-class, multi-commodity opportunity with a focus on high-grade titanium, copper, platinum group metals (PGMs), gold, and vanadium, a district-scale critical minerals discovery situated in the West Musgrave region of Western Australia, one of the world's most attractive Tier-1 mining jurisdictions. This premier location is underpinned by a well-established regulatory framework, supportive state policies, and robust infrastructure, including proximity to BHP's multi-billiondollar Nebo-Babel nickel-copper project and the presence of grid power, sealed roads, airstrips, and telecommunications on or adjacent to the project area. These logistical and strategic advantages position Dante for accelerated development and underscore the project's potential to evolve into a cornerstone asset within Australia's critical minerals supply chain (Figure 1).





Source: Company

Government-Backed Growth in a World-Class Mining Region

Western Australia's status as a Tier-1 mining jurisdiction provides a significant strategic advantage to Terra Metals. The state consistently ranks among the world's most attractive regions for mining investment, underpinned by low geopolitical risk, a transparent permitting system, and a strong rule of law that supports long-term resource development. In addition to excellent geology and infrastructure, WA offers access to a skilled workforce, efficient port facilities, and a government that actively encourages critical minerals development through direct financial support and legislative initiatives. The proximity of the Dante Project to some of the most significant players in the global mining industry—including BHP, Rio Tinto, and KoBold Metals—further reinforces the project's potential. Being surrounded by major



mining houses not only highlights the region's mineral endowment but also increases the likelihood of future strategic partnerships.

Terra Metals has secured \$420,000 in non-dilutive funding through the Western Australian Government's Exploration Incentive Scheme (EIS), marking a clear vote of confidence in the strategic significance of the Dante Project. This grant not only offsets nearterm exploration costs but also strengthens Terra's positioning for further institutional support and government collaboration. The funding aligns Terra with national priorities to build secure, domestic critical mineral supply chains—an objective gaining urgency amid growing geopolitical tensions and a global shift away from reliance on Chinese sources. The grant also integrates Terra into Western Australia's Battery and Critical Minerals Strategy 2024–2030, which is backed by substantial government investment in downstream infrastructure. Notably, this includes the development of the Critical Minerals Advanced Processing (CMAP) Facility—a \$3 million joint investment aimed at establishing refining and processing solutions for strategic minerals. For a project like Dante, access to local, state-supported processing capabilities could materially enhance project economics, reduce logistical complexity, and elevate the long-term value proposition. More broadly, this initiative supports the state's vision to create a fully integrated mining-to-manufacturing hub for critical minerals, positioning WA as a global leader in the clean energy supply chain. Given political priorities to develop secure, non-China critical mineral supply chains, there are good prospects of funding initiatives such as the CMAP Facility increasing in future state budgets.

The Bushveld in Australia: Dante's High-Grade Continuity

The Dante Project, hosted within the Jameson Layered Intrusion, shares compelling geological similarities with South Africa's Bushveld Complex—the world's largest source of PGMs, vanadium, and titanium. These parallels underpin Terra Metals' belief that Dante represents a globally significant opportunity.

A notable comparison can be drawn between Terra Metals (ASX: TM1) and Ivanhoe Mines (TSE: IVN; Market Cap \$17Billion CAD), which has gained substantial market recognition for its polymetallic Platreef deposit within the Bushveld Complex. The current Platreef resource sits approximately 600m beneath the surface, and is estimated to contain 84.3Moz PGE, 7.8Moz Au, 1.88Mt Cu, and 3.53Mt Ni. Despite having a similar geological setting and polymetallic potential, Terra Metals remains significantly undervalued compared to Ivanhoe Mines, whose Platreef Deposit is also hosted in a layered mafic-ultramafic intrusion, geologically analogous to the Dante Project. These types of layered intrusions are renowned for hosting extensive, high-grade polymetallic systems rich in copper, platinum group metals (PGMs), and vanadium.

While Ivanhoe Mines has undergone substantial re-rating as a result of resource definition and project de-risking, Terra Metals remains at a much earlier valuation stage. Nevertheless, the geological similarities and polymetallic potential of both projects indicate that Terra Metals could undergo a significant re-rating as it advances resource and completes its maiden JORC MRE.

For investors seeking early exposure to projects with comparable geological and economic profiles to Platreef, Terra Metals offers an attractive, undervalued opportunity. Despite these strong parallels, Terra Metals currently trades at a fraction of Ivanhoe's \$1bn+ valuation.

High-Grade Polymetallic Drill Results

Terra Metal's Exploration to date has identified two major polymetallic reef systems—Reef 1 North (Crius) and Reef 2 (Hyperion) (Figure 1). —that together span more than 20km of mineralised strike, with mineralisation consistently intersected from surface within a shallow-dipping, layered "blanket" of high-value critical and precious metals.



Reef 1 has been the focus of extensive drilling, returning consistently high-grade, near-surface results across 4.2km of strike. Notable intercepts include:

- 9m @ 18.6% TiO₂, 0.58g/t PGE3, 0.16% Cu and 0.70% V₂O₅ from surface;
- 7m @ 18.4% TiO₂, 0.62g/t PGE3, 0.22% Cu and 0.72% V₂O₅ from 4m;
- 5m @ 21.2% TiO₂, 0.64% Cu_{eq}, and 0.81% V₂O₅ from 21m;
- and 5.8m @ 22.19% TiO₂, 0.68% Cu_{eq}, and 0.79% V₂O₅ from 24m

(Figure 2) provides highlights of historical drilling results from the Dante Project, illustrating the abundance of standout intercepts and highlighting the consistently strong grades encountered across the project. The values presented in (Figure 2) and (Figure 3) include copper equivalent (CuEq) grades, which consolidate the value of multiple metals—copper (Cu), gold (Au), platinum (Pt), and palladium (Pd)—into a single metric, reflecting their combined economic contribution to the copper sulphide concentrate. This provides a clearer comparison of overall mineral value across intercepts.

HoleID	Width	TiO ₂ %	CuEq%	V2O5%	Cu%	Au g/t	Ptg/t	Pd g/t	From
URC003	5	18.51	0.74	0.61	0.56	0.16	0.31	0.06	80
including	2	16.61	0.87	0.52	0.83	0.06	0.13	0.02	80
HRC004	6	20.37	0.70	0.61	0.37	0.29	0.49	0.11	4
including	2	22.84	0.87	0.65	0.52	0.32	0.55	0.10	6
HRC020	4	21.75	0.59	0.80	0.34	0.26	0.27	0.06	106
including	1	24.68	0.82	1.10	0.37	0.35	0.73	0.21	109
UDH004	5.5	19.93	0.62	0.72	0.32	0.27	0.37	0.13	132
including	2	23.73	0.89	0.73	0.51	0.41	0.34	0.07	134
UDH005	4	20.98	0.61	0.81	0.31	0.25	0.47	0.14	141
including	2	22.87	0.69	1.02	0.28	0.27	0.79	0.27	143
UDH006	6	18.67	0.53	0.69	0.26	0.23	0.39	0.13	179
including	2	24.58	0.82	0.98	0.37	0.36	0.72	0.22	182
UDH008	5.8	22.19	0.68	0.79	0.34	0.31	0.44	0.11	24
including	1.8	24.99	0.88	0.94	0.43	0.39	0.64	0.16	28
URC005	5	21.22	0.64	0.81	0.35	0.24	0.47	0.13	21
including	3	23.15	0.72	0.95	0.34	0.26	0.70	0.21	23
URC006	5	19.12	0.58	0.70	0.30	0.22	0.45	0.15	71
including	2	23.23	0.79	0.99	0.32	0.28	0.95	0.35	74
URC008	3	21.00	0.47	1.00	0.09	0.14	0.97	0.28	9
URC011	7	20.68	0.59	0.62	0.31	0.27	0.35	0.08	17
URC062	9	17.61	0.45	0.64	0.24	0.16	0.35	0.11	165
including	4	23.73	0.72	0.91	0.36	0.27	0.63	0.19	167
URC064	5	16.04	0.45	0.61	0.23	0.20	0.29	0.09	76
including	2	23.11	0.82	0.85	0.43	0.39	0.47	0.10	77

Figure 2: Previous drilling highlights from the Dante Project

Source: East Coast Research & Company

Terra Metals has established an initial, conservative Exploration Target at the Dante Project of 60–110Mt, based on drilling at the northern portion of Reef 1 (Crius). This Exploration Target contains an estimated 8.6–23Mt of titanium dioxide (TiO_2), 130–340kt of copper (Cu), 250-670koz of gold (Au), 470-1,300koz Platinum (Pt), 140-390koz palladium (Pd), and 0.3-0.8Mt of vanadium (V_2O_5), with further upside expected as drilling continues. This initial estimate is based on high-confidence drilling over approximately 7km of strike length where



mineralisation is hosted from surface or near-surface, confirmed by consistent, wide, high-grade intercepts.

These results support an Exploration Target of 60–110Mt. Based on the continuity observed across the Reef.

Reef 2 intercepts further reinforces the high-grade nature and continuity of the mineralisation at Dante. An emerging 6.2km-long system interpreted as a Bushveld-style sulphide reef:

- 6m @ 19.9% TiO₂, 0.40% Cu, 0.79g/t PGE3, 0.66% V₂O₅, from 4m:
- and 10m @ 19.3% TiO_2 0.23% Cu, 0.86g/t PGE3, 0.85% V_2O_5, from 84m

(Figure 3) highlights the success of recent infill drilling at Reef 2, providing further confidence that the mineralised system at Dante is laterally extensive, consistent, and open along strike and at depth. This demonstrates a strong likelihood that neighbouring reefs will significantly expand the resource base and materially enhance the project's scale and strategic value.

HoleID	Width	TiO ₂ %	CuEq%	V_2O_5 %	Cu%	Au g/t	Pt g/t	Pd g/t	From
HRC029	15	12.89	0.28	0.54	0.10	0.07	0.41	0.19	42
including	4	21.44	0.59	1.04	0.14	0.14	1.15	0.49	48
within	57	8.68	0.15	0.29	0.10	0.03	0.11	0.05	Surface
HRC021	9	14.46	0.29	0.48	0.16	0.10	0.24	0.07	Surface
including	5	17.79	0.48	0.67	0.25	0.17	0.41	0.13	4
HRC030	4	12.96	0.43	0.52	0.32	0.10	0.21	0.05	72
within	40	7.39	0.14	0.23	0.12	0.02	0.03	0.01	36
HRC024	6	16.11	0.27	0.58	0.15	0.06	0.28	0.07	Surface
including	3	19.46	0.38	0.76	0.17	0.11	0.48	0.13	3
HRC028	13	10.75	0.24	0.39	0.12	0.09	0.18	0.08	10
including	4	15.73	0.46	0.61	0.25	0.20	0.24	0.09	19
within	23	9.63	0.18	0.29	0.10	0.06	0.11	0.04	Surface
HRC026	4	11.57	0.29	0.40	0.16	0.09	0.24	0.10	48
within	52	7.53	0.11	0.19	0.09	0.02	0.02	0.01	Surface

Figure 3: Highlight Intercepts from Infill Drilling at Reef 2 North

Source: East Coast Research & Company

The consistency of recent high-grade drill intercepts along Reef 2 further validates the broader mineralised system and strengthens confidence in the geological model across the Dante Project. Geophysical surveys, mapping, and surface sampling suggest that the central and southern extensions of Reef 1, covering an additional 15–20km of strike, are also likely to host similar mineralisation. Extrapolating from TM1's exploration target figures, I estimate that the full extent of **Reef 1 and 2 could potentially contain between approximately 60–200Mt of mineralised material**, assuming geological and grade continuity. Using the average grades recorded at Crius as a benchmark, this would correspond to an estimated 8–42Mt of contained TiO₂, 126–620kt of contained copper (Cu), 193-1,286koz gold (Au), 0.4-2.6Moz platinum (Pt), 135-643koz Palladium (Pd), and 0.3-1Mt of vanadium (V₂O₅). These figures present a highly conservative estimate of the Dante Project's resource potential, as they encompass only the mineralisation within Reef 1.

We estimate the project-wide resource potential at Dante (based on the 80km of outcropping strike) to be between 425-891Mt.

Extending this analysis to a project-wide scale, and underpinned by the consistent high-grade mineralisation observed to date, it is plausible that the collective mineralised corridor encompassing Reefs 1- 4 could span 100–120 km if continuity is confirmed throughout the entire project area. From this, we could estimate that the total mineralised material across all reef systems could range between approximately **425–981Mt**. This could equate to **60–204Mt of contained TiO**₂, **0.9–3.0Mt of contained copper**, **1.4-6.3Moz of gold (Au)**, **2.7-12.6Moz Platinum (Pt)**, **0.9-3.2Moz Palladium (Pd)**, and **2.1-4.9Mt of vanadium (V**₂**O**₅), presenting a significant resource potential if further exploration confirms the projected continuity and mineralisation patterns.

It is important to note, these figures currently account for extrapolation from the known mineralisation at Reef 1 and assume similar characteristics across the remaining reef systems. Further drilling is required to validate these estimates, but the potential scale reinforces Dante's position as a major multi-commodity project within the critical mineral sector.

High Copper Equivalent Grade for Dante

Building on the resource estimate, the following analysis provides an estimated copper equivalent grade (CuEq) for the Dante Project. This calculation is based on the copper equivalent methodology, which consolidates the economic value of multiple metals into a single copper grade.

Copper equivalent grade (CuEq) is a useful metric used to express the economic value of polymetallic mineral resources as a single copper grade. It effectively translates the value of other metals present in the deposit (such as gold, platinum, palladium, titanium dioxide, and vanadium pentoxide) into an equivalent amount of copper. This approach simplifies the assessment of the overall economic viability of a resource, especially when multiple valuable metals are involved.

In polymetallic projects like Dante, calculating the copper equivalent grade is useful as it combines the economic contributions of all significant metals into a single, comparable figure. This not only aids in benchmarking the project against other copper or polymetallic assets but also supports more straightforward decision-making regarding project development and investment potential.

The copper equivalent (CuEq) grade calculation is based on several key data points. The metal grades have been calculated using the weighted average intercepts obtained from drilling conducted on Reef 1. Metal Equivalent Factors (MEF) have been utilised to account for the economic value of each metal relative to copper. These factors enable a standardised comparison and aggregation of the metals' contributions to the overall grade. Recoveries and payabilities have been sourced from TM1. The metal prices referenced throughout the calculation are provided in the accompanying footnotes¹. Finally, conversion factors have been applied where necessary to ensure consistency in the units of measurement. These adjustments facilitate the accurate calculation of the copper equivalent grade by maintaining uniformity across the diverse data inputs.

Metal	Recovery	Grade	Payability	Metal Price	Unit Conversion	MEF
Cu %	95.80%	0.19	96%	\$0.01	0.01	89.1
Au g/t	75.80%	0.12	96%	\$96.13	1	69.95
Pt g/t	74.40%	0.23	85%	\$31.73	1	20.07
Pd g/t	74.40%	0.09	85%	\$30.54	1	19.31
TiO ₂ %	65%	15.08	100%	\$0.00	10	4.1
$V_2O_5 \%$	91%	0.56	100%	\$0.01	10	82.54

Figure 4: Metallurgical Recoveries and Value Contribution by Metal

Source: East Coast Research & Company

¹ As at 21st March 2025: Kitco (<u>www.kitco.com</u>), SMM (<u>www.metal.com</u>)

Using the figures from the table above (Figure 4), along with the copper equivalent formula², my estimated copper equivalent for the Dante Project is **1.50% CuEq.** In polymetallic projects, grades exceeding 1% CuEq typically indicate strong economic potential, especially when supported by favourable depth and continuity of mineralisation. Given the resource's substantial scale and grade, along with positive metallurgical characteristics and favourable depth, the project demonstrates promising economic viability. Whether through self-mining or potential joint ventures given the neighbouring majors to the tenement, the Dante Project offers strong potential for favourable returns upon reaching production.

It is important to note that the copper equivalent grade presented is based on my estimates on the current data from the Dante Project. As the company progresses with planned exploration and drilling, followed by a formal Mineral Resource Estimate (MRE), more accurate and definitive estimates will become available. Further drilling will provide better insights into the consistency and extent of mineralisation, allowing for refined grade calculations and a more precise valuation assessment.

Favourable Metallurgy at Dante: A Key De-Risking Advantage

Metallurgy refers to the science and process of extracting valuable metals from their host minerals and rocks. It assesses how easily, efficiently, and economically metals can be separated and concentrated from the ore. Good metallurgy is critical because it directly influences the viability of a project: higher recoveries, lower processing costs, and simpler beneficiation methods significantly enhance project economics.

A key risk for polymetallic deposits globally is that the metallurgy can often prove to be technically challenging or commercially unviable, requiring complex, costly, or inefficient processing routes. In many cases, this can prevent otherwise attractive deposits from progressing to development. However, early test work at the Dante Project, detailed below, has demonstrated that the metallurgy is commercial, simple, and highly favourable, substantially de-risking the project and enhancing its development potential.

The metallurgical testing of sulphide samples from the Dante Reefs has demonstrated strong recovery performance across copper, gold, and PGEs, underscoring the commercial potential of the project's polymetallic mineralisation. (Figure 5) illustrates the recovery curves generated from these flotation tests, highlighting the robust metallurgical response across all key metals. Copper recovery exceeds 90% within the first five minutes of rougher flotation, ultimately reaching 95.8%, reflecting rapid kinetics and a high degree of sulphide liberation. Gold and combined PGE (Pt, Pd + Au) recoveries are similarly encouraging, achieving 75.8% and 74.4% respectively by 30 minutes. These results support the production of a high-grade Cu-Au-PGM sulphide concentrate and confirm the suitability of conventional, low-cost flotation processing for efficient multi-metal recovery. This was achieved using standard flotation and magnetic separation techniques, a huge advantage compared to many critical minerals projects, which often require intensive, multi-stage processing or harsh chemical treatments to achieve comparable product grades and recoveries.

Magnetic separation produced a highpurity titaniumilmenite concentrate grading 40% TiO₂, surpassing industry standards and providing access to premium markets in pigments, synthetic rutile, and aerospace alloys.

² CuEq = [(Cu Grade * Cu Price/gram * Cu Recovery * Cu Payability) + (Au Grade * Au Price/gram * Au Recovery * Au Payability) + (Pt Grade * Pt Price/gram * Pt Recovery * Pt Payability) + (Pd Grade * Pd Price/gram * Pd Recovery * Pd Payability) + (TiO2 Grade * TiO2 Price/gram * TiO2 Recovery * TiO2 Payability) + (V2O5 Grade * V2O5 Price/gram * V2O5 Recovery * V2O5 Payability)] / (Cu Price/gram * Cu Recovery)







Source: Company

The favourable mineralogy and geological setting of the orebody primarily drive the strong metallurgical performance at the Dante Project. Mineralisation at Dante is hosted within a layered mafic-ultramafic intrusion, similar to the Bushveld Complex in South Africa, where metals such as copper, PGEs, vanadium, and titanium are naturally concentrated into laterally extensive, well-defined reef horizons.

The sulphide minerals at Dante, including chalcopyrite (copper sulphide) and PGE-associated sulphides, are relatively coarse-grained and well-liberated, allowing for rapid flotation recovery without the need for fine grinding or complex chemical reagents. This high degree of sulphide liberation explains why copper recovery exceeds 90% within the first five minutes of rougher flotation. Similarly, the titanium and vanadium mineralisation is hosted within magnetite and ilmenite minerals that respond very well to simple magnetic separation, producing clean, high-grade concentrates without the need for extensive beneficiation.

Terra Metals' favourable metallurgy offers several strategic benefits. First, it enhances project economics by lowering operational costs, as conventional flotation and magnetic separation are among the most cost-effective and scalable mineral processing techniques. Second, strong recovery rates for copper, PGEs, vanadium, and titanium increase the payable metal output per tonne of ore mined, improving project margins and future cash flow potential. Third, the simplicity of the processing flowsheet de-risks project development by reducing technical complexity, commissioning risk, and permitting challenges. Furthermore, the production of three separate, high-grade concentrates provides Terra Metals with diversified revenue streams across copper, PGEs, titanium, and vanadium markets, reducing dependence on a single commodity.

Copper recovery surpasses 90% within the first five minutes of rougher flotation, peaking at 95.8%.





Figure 6: Basal Reef Cross-Section Highlighting Broad, High-Grade Intercepts

Source: Company



(Figure 6) illustrates the scale and distribution of the mineralised basal reef, highlighting the continuity of high-grade intervals across multiple cross-sections along strike. This supports the emerging view that Dante represents a coherent and potentially globally significant polymetallic system, with geometry, grade and scale that could support a long-life, low-cost operation.

Expanding Discovery Potential

The broader project area remains underexplored, with only ~15% of the known strike drilled and multiple untested outcropping reefs and high-priority EM anomalies identified, suggesting significant scope for further discoveries. (Figure 7) presents a regional map of the Dante Project, highlighting Terra Metals' tenement position, outcropping mineralised reefs, and the location of recent and historical drilling. Overlaid on electromagnetic (EM) imagery, the map illustrates strong correlations between known mineralised trends and high-conductivity anomalies, particularly along Reef 1 North, where recent high-grade drill results have been returned. Importantly, the (Figure 7) also reveals multiple untested EM anomalies and parallel reef structures extending across the tenement package. The simplest and most immediate opportunity for resource growth lies in the mapped but undrilled outcropping reefs, while high-priority EM anomalies such as Thea, Metis, and Cronus SE represent additional, potentially large-scale exploration targets that could deliver new styles of discovery beyond the currently defined mineralised trends.

Figure 7: Dante Project EM Anomalies, Outcropping Reefs and Drill Targets Across Key Prospects



Source: Company



Any future discovery at Dante will be remarkably low cost, driven by extensive and systematic exploration undertaken throughout the 2023-2024 field seasons. Terra Metals completed over 17,000 metres of RC and diamond drilling, alongside surface mapping, geochemical sampling and ground EM surveys, all of which have contributed to a comprehensive understanding of the project's mineral systems. Importantly, the discovery of high-grade mineralisation from surface and the lateral continuity of mineralised reefs has enabled rapid and cost-effective definition of target zones, significantly reducing drilling costs per metre of discovery. This exploration efficiency is further enhanced by the project's strategic location, just 50km from the Central Highway—one of the region's main transport arteries—which links directly to major mining operations and export infrastructure. The project is also located near BHP's Nebo-Babel development, where approximately A\$1 billion has already been invested into large-scale infrastructure, including a planned 12Mtpa crushing circuit, copper and nickel flotation circuits, and a major mining camp designed to accommodate over 400 personnel. With BHP having paid around A\$2 billion in scrip to consolidate ownership, the scale of regional investment underscores the significance of the broader West Musgrave province and enhances the potential for Terra Metals to leverage regional infrastructure synergies in future development scenarios.

The Cronus Deeps prospect also provides further upside potential, having intersected a 407.7m thick unit of mafic taxite and pegmatite, a significant indicator of deep-seated magmatic systems with elevated concentrations of PGMs, palladium, and gold. Combined with the near-surface discoveries at Reef 1 and Reef 2, this deeper mineralisation could support a multi-stage mine development strategy, potentially transitioning from open-pit to underground extraction over time.

Terra Metals (ASX: TM1) has very recently exercised its option to acquire 100% of HRM Exploration Pty Ltd, significantly advancing its strategic expansion in the West Musgrave region. This acquisition nearly doubles Terra's tenement position, adding four exploration licenses covering 618 km² contiguous with the flagship Dante Project. The all-scrip transaction consolidates Terra's foothold within the highly prospective Jameson Layered Intrusion, analogous to the Bushveld Province of South Africa. Recent ground activities on the newly acquired tenements have confirmed extensions of target mineralisation, reinforcing the substantial exploration potential of the district-scale project. Settlement of the acquisition is expected shortly, with the consideration involving 7.5 million upfront shares and up to 11.25 million deferred shares, contingent upon meeting key exploration milestones. The acquisition of HRM marks a pivotal step in strengthening Terra's exploration footprint and advancing its flagship Dante Project, positioning the company as a dominant player in one of Australia's most prospective critical mineral provinces.



Figure 8: Visibly Mineralised Rock Chips from Dante Project



Source: Company

(Figure 8) demonstrates some of the mineralised rock samples collected from the surface at Terra Metals' Dante Project, displaying intense copper staining and a metallic lustre that highlight the visible richness of the ore.

Fully Funded for Upcoming Project Milesones

Terra Metals is fully funded to deliver its maiden resource and metallurgy milestones, reflecting strong cash management and a clear, nondilutive path to value creation. The current work program at Dante includes the delivery of a maiden JORC-compliant Mineral Resource Estimate (MRE) and Phase 2 metallurgical optimisation, both of which are fully funded from Terra's existing cash balance of circa. A\$1.2 million. The forthcoming release of the maiden MRE represents a major milestone for the Company, offering a transparent, independent validation of the project's scale and grade while providing a platform for future project valuation, economic studies, and strategic engagement. The MRE will significantly enhance the Company's ability to engage with institutional investors and potential development partners by defining a formal resource base and supporting scoping and feasibility workstreams. **Concurrently, the ongoing metallurgical optimisation program will aim to further improve concentrate grades and recoveries, reduce processing costs, and expand understanding of downstream processing opportunities.** Both programs are fully funded from existing cash reserves, reflecting Terra's disciplined financial management and ensuring a clear pathway to key value-accretive milestones without the need for dilutive capital raisings.

Other Projects; Onslow and Southern Cross

Dante is the flagship project and the primary valuation driver for Terra Metals (TM1), given its strategic potential and resource scale. While the Onslow and Southern Cross projects also hold significant exploration upside, they are covered in detail in the appendix.

Terra Metals Limited focuses on exploring and developing a suite of metals essential for modern industry and the global transition to sustainable energy. Among these, titanium, copper, platinum group metals (PGMs), gold, and vanadium represent commodities with high strategic and economic relevance across clean energy, defence, and industrial sectors. While gold is not classified as a critical mineral, its longstanding role as a store of value and its technological applications justifies its inclusion within Terra's diversified portfolio. Similarly, vanadium's emerging role in grid-scale energy storage adds further strategic depth. For the purpose of this analysis, primary focus will be given to titanium, copper, PGMs, and vanadium—reflecting both their unique material characteristics and their alignment with Terra Metals' core exploration and development strategy, as well as the fact that these are comparatively less well-understood commodities, warranting clear explanation and context.

Titanium is renowned for its exceptional strength-to-weight ratio and corrosion resistance, making it invaluable in aerospace, medical, and industrial applications. Its ability to withstand extreme environments without compromising structural integrity has led to its widespread use in aircraft components, medical implants, and chemical processing equipment.

Copper has long been recognised as one of modern industry's most essential base metals, owing to its exceptional electrical and thermal conductivity, malleability, and corrosion resistance. Its versatility makes it indispensable across various applications, including power generation, construction, transportation, and electronics. As the world transitions to renewable energy and electrification, copper's role has become even more critical. Electric vehicles (EVs), solar panels, wind turbines, and grid infrastructure all depend heavily on copper. Industry leaders forecast a sharp increase in copper demand, with estimates suggesting a 70% rise by 2050.

The platinum group metals (PGMs), comprising platinum, palladium, rhodium, iridium, osmium, and ruthenium, are prized for their catalytic properties, resistance to wear and tarnish, and excellent conductivity. These characteristics make them crucial in various industrial applications. The major applications of PGMs are as catalysts in the automotive industry, petroleum refining, environmental gas remediation, and industrial chemical production. As next-generation energy technologies for hydrogen production, such as electrolysers and fuel cells for stationary and transport applications, become mature, the demand for PGMs is expected to increase further.

Gold remains one of the most economically and geopolitically significant resources globally. Beyond its enduring role as a store of value and financial hedge, gold continues to play a key role in advanced technologies, including electronics and medical devices, due to its conductivity and biocompatibility. Demand is supported by central bank reserves, investment demand, and its use in high-precision manufacturing. With increasing market uncertainty and inflationary pressure, gold continues to attract institutional capital as a safe-haven asset, reinforcing its relevance within diversified mineral portfolios.

Vanadium is increasingly recognised as a critical element in the global push toward cleaner energy systems and long-duration energy storage. Traditionally used in high-strength steel alloys, particularly for construction, aerospace, and military applications, vanadium is now seeing rising demand from the energy sector through its role in vanadium redox flow batteries (VRFBs). These large-scale batteries offer superior longevity, stability, and the ability to support grid-scale renewable energy storage compared to traditional lithium-ion systems. With renewable energy integration driving the need for reliable, long-duration storage solutions, vanadium's strategic value is expected to grow substantially. In parallel, supply remains tightly held, with China, Russia,

As the world shifts toward renewable energy and electrification, copper has become increasingly vital playing a key role in EVs, solar panels, wind turbines, and grid infrastructure. and South Africa accounting for the majority of global production—making secure, diversified sources increasingly important to energy and industrial strategies in Western economies. remains one of the most economically and geopolitically significant resources globally.

This multicommodity strategy increases the Company's exposure to highgrowth sectors while helping mitigate risks tied to single commodity cycles. Understanding the unique properties and applications of titanium, copper, PGMs, gold, and vanadium is essential for appreciating their critical roles in modern industry and the global shift towards sustainable technologies. This multi-commodity approach enhances Terra's exposure to high-growth sectors while providing risk mitigation against individual commodity cycles. By focusing on metals that are indispensable to clean energy infrastructure, low-emissions transport, industrial decarbonisation, and advanced manufacturing, Terra Metals has positioned itself to capitalise on long-term demand fundamentals across a broad range of future-facing technologies. With defined mineralisation at its Dante Project spanning titanium, copper, PGMs, and vanadium, and additional exposure to gold and lithium through its Onslow and Southern Cross Projects, Terra is well-positioned to contribute meaningfully to the long-term stability and sustainability of global critical mineral supply chains. Moreover, understanding the strategic relevance of these resources is essential to evaluating the long-term investment value in Terra Metals.

Copper and the Energy Transition: A Structural Growth Story

Copper has long been one of the most crucial base metals in global industry, with a 75-year compound annual growth rate (CAGR) of 3.1%. While that pace slowed to 1.9% over the 15 years to 2021, demand growth is projected to rebound to 2.6% annually through 2035. This recovery is expected to be underpinned by three core demand drivers: traditional industrial growth, the global energy transition, and the digital revolution, particularly through the buildout of data centres.

Traditional demand is expected to remain robust across developed economies, while developing nations—home to nearly five times the population of high-income countries—are set to accelerate their copper consumption as they move toward higher living standards. This provides a reliable demand base that is expected to remain stable well into the future. However, the most significant uplift is anticipated to come from structural shifts in electrification and digitalisation.

(Figure 9) illustrates the strong positive correlation between total copper consumption (measured in Mt) and global electricity demand (measured in petawatt-hours, PWh). As shown by the tight clustering of data points around the trendline and a high coefficient of determination ($R^2 = 0.97$), copper usage scales predictably with electricity demand. This relationship underscores copper's critical role in power generation, transmission, and electrification infrastructure. With global electricity demand expected to rise significantly in the coming decades—driven by electrification, renewable energy deployment, and data centre expansion—the corresponding increase in copper demand represents a structurally supported growth trajectory for the metal, reinforcing its strategic relevance in the energy transition.





Source: Wood Mackenzie

In the energy transition space, copper demand is driven by the metal's essential role in renewable technologies and electric mobility. **Electric vehicles (EVs) are one of the standout growth areas.** According to Wood Mackenzie, internal combustion engine (ICE) vehicles use approximately 22kg of copper, compared to 40kg for hybrid EVs, 55kg for plug-in hybrids, and 80kg for fully battery-electric vehicles. In energy generation, solar power systems are estimated to require around 5.5 tonnes of copper per megawatt (MW) of capacity, while onshore and offshore wind turbines require 3.52 and 9.56 tonnes per MW, respectively.

S&P Global projects that achieving net-zero emissions by 2035 could push annual copper demand to as much as 50 million tonnes—more than double current levels—with the most significant pull from the US, China, Europe, and India.

Global Copper Supply Outlook

On the supply side, global copper mine production has increased from 16 million tonnes in 2010 to approximately 22 million tonnes in 2023, with projections suggesting 30 million tonnes by 2036—still far short of the demand surge anticipated. According to the International Energy Forum, as many as 194 new copper mines will be required by 2050 to meet global demand targets linked to the energy transition.

A structural issue facing the industry is the maturity and declining ore grades of existing mines. Many of the world's largest copper operations are deep, capital intensive, and increasingly challenged by rising costs and complex geology. At the same time, new discoveries have slowed dramatically—with only four copper deposits discovered globally since 2019, according to S&P Global Market Intelligence, despite 239 discoveries between 1990 and 2023. In this context, shallow, near-surface discoveries are particularly prized for their lower development costs, quicker permitting, and faster path to production—a rare standout attribute to TM1's Dante Project.

Copper Market Dynamics and Strategic Positioning

The looming supply-demand imbalance has analysts forecasting substantial market deficits. McKinsey & Company projects that the copper supply deficit will reach 6.5 million tonnes by 2031, driven largely by clean energy technologies. Bridging this gap will require a combination of new discoveries, optimisation of existing assets, enhanced recycling, and innovation in processing technologies.

The anticipated supply-demand gap has analysts predicting significant market deficits, with McKinsey & Company forecasting a 6.5 million tonne copper shortfall by 2031, primarily driven by the rise of clean energy technologies.



Copper prices reflect this tightening environment. After strong gains in 2021 and 2022, the market continued to rally in 2024, reaching an all-time high of US\$10,800 per tonne in May. (Figure 10) charts the LME Grade A copper price over the past two years, highlighting a consistent upward trajectory despite short-term volatility. The trendline reflects growing structural tightness and investor optimism as demand from electrification and industrial expansion outpaces new supply.





Source: S&P Capital IQ and East Coast Research.

After strong gains in 2021 and 2022, the market continued to rally in 2024, reaching an alltime high of US\$10,800 per tonne in May. Futures markets and analysts continue to point to a bullish long-term trajectory, supported by structural demand growth and tight inventories. For instance, Rotterdam's Grade A copper cathode premium is expected to rise 25% by 2025, reflecting tightening fundamentals in European markets.

At the same time, copper warehouse stocks across Shanghai and London exchanges remain low, indicating constrained immediate supply. (Figure 11) illustrates LME and SHFE warehouse stock levels since March 2022, revealing persistent volatility and overall tightness in visible inventories. While both exchanges experienced brief periods of inventory build, stocks have generally trended lower, particularly during periods of heightened market demand and limited mine output. The chart underscores the fragility of near-term supply and reinforces the bullish outlook for copper pricing as global consumption continues to climb.



Figure 11: LME and SHFE Copper Warehouse Stocks ('000 tonnes), March 22 - March 25



Source: S&P Capital IQ and East Coast Research

One Global electricity demand is set to rise sharply through to 2050, driven not only by steady growth in residential, commercial, and agricultural consumption, but also by rapid increases in demand from industry, transport, green hydrogen, and carbon capture technologies. As shown in (Figure 12), green hydrogen and transport are expected to become major new sources of demand, reflecting the broader shift toward electrification and decarbonisation. This sustained upward trajectory reinforces the urgent need for expanded grid capacity and highlights copper's essential role in delivering the infrastructure required for this global energy transition.







Source: Grand view research



Industry Consolidation and Strategic M&A

The supply pressures in copper have also ignited a wave of mergers and acquisitions (M&A), as major miners seek scale, optionality, and high-quality development assets. In 2024 alone, there were 358 mining M&A deals globally, valued at a combined US\$10.4 billion.

of the most notable moves was BHP's US\$39 billion bid to acquire Anglo American—an attempt to secure significant control over global copper production and hedge against future supply gaps. While that deal is still under negotiation, it highlights the strategic value placed on high-grade copper assets and the role consolidation is playing in reshaping the sector.

These dynamics bode well for Terra Metals, which holds a copper asset with favourable geometry, scale, and strategic relevance. As the industry increasingly seeks low-capex, development-ready copper projects, companies like Terra—backed by shallow mineralisation, strong metallurgy, and multi-commodity upside—may represent high-value targets for partnership or acquisition.

Titanium's Ascent: Strategic Supply and Demand in a Changing Global Landscape

Titanium has emerged as a critical mineral with strong structural demand across a broad range of industrial applications. **The global titanium market has shown a steady growth trajectory, underpinned by increasing consumption in the aerospace, industrial, and medical sectors.** According to Grand View Research, the market was valued at approximately USD 1.9 billion in 2018 and is projected to reach nearly USD 3.8 billion by 2030, reflecting a CAGR of 6.2%. This sustained expansion is driven by titanium's unique combination of strength, lightness, and corrosion resistance, making it essential for high-performance and sustainability-focused applications. Key growth areas include aerospace and defence, chemical processing, and healthcare, where titanium is increasingly favoured for its reliability and durability. (Figure 13) illustrates this long-term growth trend in global market value from 2018 to 2030.



Figure 13: Long term growth trend in Titanium

Source: Grand view research

In parallel, the broader titanium supply chain faces significant structural pressures, including geopolitical risk, export concentration, and growing trade protectionism. The European Union's imposition of anti-dumping duties on Chinese titanium dioxide in November 2024 reflects mounting concerns over unfair pricing and a global shift toward friend-shoring strategies. Europe's dependence on Russian titanium has further highlighted the vulnerabilities of current sourcing arrangements, prompting accelerated efforts to diversify supply chains and secure ethically sourced material from low-risk jurisdictions.

Against this backdrop, Terra Metals' flagship Dante Project offers a compelling entry point into the titanium value chain. The project hosts high-grade titanium oxide mineralisation within a large, shallow mafic-ultramafic intrusive complex, with early drill intercepts such as 5m @ 19.2% TiO₂, 0.26% Cu, 0.86g/t Au+PGEs, 0.78% V₂O₅ from 12m demonstrating the scale and quality of the resource. Importantly, Dante's mineralisation is flat-lying and near surface, making it highly amenable to low-strip, open-pit mining—a key differentiator that could translate into significantly lower operating and development costs relative to deeper or more complex deposits targeted by peers.

As global demand for titanium accelerates, Terra Metals is uniquely placed to become a new, reliable, and cost-effective supplier, contributing to supply chain diversification and capitalising on long-term demand from the aerospace, defence, and energy transition sectors. Titanium's role as a cornerstone material in both high-performance manufacturing and decarbonisation technologies strengthens TM1's position in the critical minerals thematic and adds depth to its broader multi-commodity growth strategy.

The Growing Case for Vanadium

In 2024, the average Chinese price for vanadium pentoxide (V_2O_5 , 98% content) was estimated at \$5.45 per pound, down from \$7.50 in 2023. Similarly, the average U.S. price for ferrovanadium (78%–82% vanadium content) declined to \$12.84 per pound, compared to \$16.42 the previous year. According to the World Steel Association, global steel consumption grew by 1.7% in 2024, while world steel production fell by 1.5% during the first seven months of the year compared to the same period in 2023.

The global vanadium market is being shaped by several key growth drivers. One of the most significant is the strong demand from the steel industry, where vanadium is widely used to enhance the strength and durability of steel, particularly for construction and automotive applications. Another major growth factor is the increasing adoption of vanadium redox flow batteries (VRFBs), driven by the global shift towards renewable energy storage solutions. These batteries are becoming essential for efficiently storing energy generated from solar and wind sources.

There are substantial opportunities in the market, especially in the development of advanced technologies aimed at improving the efficiency of vanadium usage. Ensuring a sustainable supply of the metal, along with innovations in battery technology and recycling, presents value-creation potential aligned with the circular economy. Additionally, supportive government policies promoting environmentally friendly technologies are opening new pathways for vanadium use in electric vehicles and energy storage systems.

With rising global demand for titanium, Terra Metals is well positioned to emerge as a reliable, low-cost supplier, supporting supply chain diversification and tapping into long-term growth across aerospace, defence, and energy transition markets.



Figure 14: Projected Growth in Global Production to 2030



Source: Wood Mackenzie; S&P Global; Department of Industry, Science and Resources Calculations

Recent market trends indicate a steady rise in research and development activities focusing on new vanadium applications across various sectors. There's also a growing emphasis on sustainable mining practices, aimed at reducing environmental impacts. At the same time, mining companies are partnering with technology firms to enhance extraction processes, further advancing the global vanadium industry.

As with most ferroalloys, vanadium demand is closely tied to the steel industry, particularly to trends in the Chinese steel market. In 2024, China remained the leading global producer of vanadium, primarily extracting it as a by-product from vanadiferous iron ore used in steel manufacturing.

Vanadium's Breakthrough in Energy Storage

Vanadium redox flow battery (VRFB) technology has continued to gain traction as a key solution for large-scale energy storage, offering safe, environmentally friendly, and scalable options for medium- and long-duration storage. Global installations of VRFB systems have been steadily rising, driven by the growing need to support renewable energy integration as countries aim to reduce carbon emissions.





Source: Australian Government Department of Industry, Science and Resources

Government support for energy storage technologies has created a favourable environment for VRFB adoption. However, challenges such as high upfront and operating costs and limited availability of vanadium feedstock remain significant obstacles to widespread deployment. While VRFBs are expected to experience further growth, they will continue to face strong competition from alternative battery technologies also vying for a share of the rapidly expanding energy storage market.

Leading companies in the vanadium market are concentrating on advanced production methods, including the adoption of belt filter technology, to enhance their competitive position. This technology is commonly used in industrial solid-liquid separation processes, particularly for dewatering sludges in the chemical industry.

Vanadium's Emerging Role in Electric Mobility

Vanadium is emerging as a valuable element in the electric vehicle (EV) sector, primarily due to its potential in next-generation battery technologies. While lithium-ion batteries currently dominate the EV market, vanadium is gaining attention for its role in vanadium redox flow batteries (VRFBs). Although VRFBs are not yet widely used in vehicles due to their size and weight, they offer longer cycle life, improved safety, and the ability to charge and discharge simultaneously, making them ideal for EV charging infrastructure and stationary energy storage systems that support the broader EV ecosystem. Their ability to store renewable energy at large scales makes them a key component in reducing grid instability caused by fluctuating EV power demand.

In addition to its use in battery technologies, vanadium's role in steel alloys also supports the EV industry. Vanadium is widely used as an alloying agent to produce high-strength, lightweight steel, which is essential for reducing vehicle weight and improving energy efficiency in EVs. By making structural components lighter without compromising strength, vanadium-enhanced steel helps extend battery range and vehicle performance. As the global push toward green transportation accelerates, vanadium's dual contribution to both battery innovation and lightweight automotive materials positions it as a strategic material in the future of electric mobility.

Vanadium is commonly used as an alloying element to produce high-strength, lightweight steel critical for reducing vehicle weight and enhancing energy efficiency in electric vehicles (EVs).



PGE₃: Platinum, Palladium, and Gold – Strategic Metals for the Green Economy

Strategic Value of PGE₃ for Terra Metals

Along with the previously discussed metals, the polymetallic Dante Project also benefits from PGE₃—platinum, palladium, and gold—a trio of critical metals integral to modern industrial applications, clean energy technologies, and as stores of value. PGE₃ metals are fundamental to the clean energy transition and advanced manufacturing processes. Platinum and palladium are indispensable in catalytic converters for internal combustion engine (ICE) vehicles and hybrid electric vehicles (HEVs), where they reduce toxic emissions and help meet increasingly stringent environmental regulations. Despite the growth of electric vehicles (EVs), the hybrid market remains resilient, sustaining the demand for these metals. Additionally, platinum's role in hydrogen fuel cells is gaining prominence as a catalyst in proton-exchange membrane (PEM) fuel cells, which power hydrogen vehicles and industrial applications. As hydrogen adoption accelerates, platinum demand is expected to rise significantly. The World Platinum Investment Council (WPIC) estimates that hydrogen-related demand could increase by 50% by 2030, driven by supportive government policies and decarbonisation targets.

While gold is predominantly valued as a safe-haven investment and a store of value, it also plays a crucial role in industrial applications. Its exceptional conductivity and resistance to corrosion make it indispensable in high-tech sectors, including electronics and medical devices. Amid ongoing global economic uncertainty, gold remains a reliable hedge against inflation and currency devaluation. This year, prices have reached record highs of USD\$3,500 per ounce, driven by escalating geopolitical tensions and Trump's trade war, prompting investors to seek refuge in safe-haven assets. (Figure 16) also highlights the rise in demand for gold from dedollarisation and central bank buying, driven by a strategic shift among countries to reduce reliance on the US dollar in their reserves.



Figure 16: Central Bank net Purchases of Gold

Source: The World Gold Council

Amid increasing geopolitical tensions, economic uncertainty, and the perceived risk of US sanctions, many central banks are diversifying their foreign exchange reserves by increasing gold holdings. Gold is seen as a stable, non-sovereign asset that provides a hedge against currency depreciation and inflation. As a result, central bank purchases have surged since 2022, reflecting a broader move towards dedollarisation and reinforcing gold's role as a global safe-haven asset.

Platinum and palladium production is highly concentrated, with South Africa and Russia accounting for approximately 80% of global supply. Political instability, labour unrest, and economic sanctions have historically disrupted output, causing price volatility. In 2024, platinum prices surged to over USD\$1,150 per ounce, while palladium reached USD\$1,200 per ounce amid



geopolitical tensions and mine closures. Although gold production is more geographically diversified, it faces challenges such as declining ore grades and longer project lead times. Global gold production is increasingly reliant on secondary sources, with mine supply projected to plateau over the next decade, as reported by the World Gold Council.

The demand for platinum and palladium is expected to remain robust, supported by ongoing automotive and industrial applications. In contrast, gold continues to attract investors as a hedge against economic volatility. As supply challenges persist, market analysts anticipate continued upward pressure on prices. Platinum is likely to benefit from its expanding role in hydrogen technologies, while palladium prices remain supported by steady hybrid vehicle production. Meanwhile, gold, underpinned by inflationary pressures, continues to see strong investment inflows driven by central bank purchases and increased geopolitical risks.

The combined strength of PGE_3 as both industrial metals and investment assets underpins their strategic relevance in the global economy. Terra Metals' exposure to these metals through the Dante Project highlights its potential to capitalise on the long-term growth trajectory of PGE_3 markets, driven by energy transition initiatives, industrial demand, and enduring appeal to safehaven assets.



In TM1's case, since no JORC-compliant Mineral Resource Estimate (MRE) has been defined yet, only 35% of the full in-situ value is applied in the Base Case and 45% in the Bull Case, to reflect the early-stage nature and associated geological uncertainty.

Valuation: In-Situ Peer Comparables

Terra Metals (ASX:TM1) presents a compelling opportunity in the energy transition and critical minerals thematic, with its flagship Dante Project in Western Australia offering exposure to a diversified suite of future-facing commodities, including vanadium, titanium, copper, PGEs, and gold. In my assessment, the primary reason for TM1's current low valuation stems from a combination of historical selling pressure from legacy shareholders, including past vendors, and a general lack of market understanding regarding the potential of this polymetallic deposit and the significant advantages presented by its metallurgy. With the metallurgy at Dante now substantially de-risked—demonstrated by strong recoveries and low-cost, conventional processing methods— and the historical selling pressure now completely cleared, I see significant potential for a re-rating of TM1 as the market gains greater clarity on the project's economic viability and strategic value.

The valuation for Terra has been approached conservatively, applying a confidence-weighted insitu resource methodology benchmarked against peer EV/resource multiples. Given the absence of a formal JORC Mineral Resource Estimate, we apply significant discounts to reflect the earlystage nature of the project and associated geological uncertainty. These adjustments ensure our valuation appropriately captures the risks inherent in TM1's current exploration stage while also framing the significant re-rating potential as the project matures.

We adopt an EV/in-situ valuation framework to assess the intrinsic value of Terra Metals, leveraging a peer set of ASX- and AIM-listed critical mineral developers with polymetallic exposure with main operations in WA. This method, widely used in the mining sector for early-stage explorers, compares a company's enterprise value (EV) to the in-situ value of its contained resources, adjusted for confidence levels and benchmarked against industry peers. The EV/in-situ approach provides a grounded, market-oriented estimate of value, enabling comparisons with similar-stage companies and identifying potential valuation disconnects.

TM1 Valuation (A\$m)	Base Case	Bull Case
Adjusted In-Situ Value	17,198	22,112
Adjusted Peer Average EV/ In-Situ Value	1,758	1,758
Implied EV	30.23	38.88
Cash ¹	1.2	1.2
Provisions and Liabilities ²	-	-
Minority Interest ²	-	-
Total Value (A\$)	31.43	40.08
Diluted number of shares (m) ³	437.22	437.22
Implied price (A\$)	0.072	0.092
Current price (A\$)	0.026	0.026
Upside (%)	176.5%	252.6%
Mid-point Fair Valuation (A\$)	0.082	
Price / NAV (X)	0.32x	

Figure 17: TM1 Valuation

¹Values from company quarterly report; 31/03/2025

²Values from company financial statements; 31/03/2025

³Figure includes full conversion of both Class A and B performance shares

To remain conservative, we adjust in-situ valuations by resource confidence levels: assigning 100% value to Measured and Indicated, 50% to Inferred, and a prudent 35% to non-JORC 2012 compliant estimates. In TM1's case, as no JORC Mineral Resource Estimate (MRE) has yet been defined, we value only 35% of the full in-situ value in the Base Case and 45% in the Bull Case. Pricing inputs are based on 1-year average commodity prices (Figure 18).

Figure 18: Resource Prices

Resource	Price, US\$ (1Yr Average)	Units
V_2O_5	5.2	lb
Ilmenite Concentrate	312	Tonne
TiO ₂ pigment	3200	Tonne
platinum Oz	975	ounce
palladium Oz	989	ounce
Gold Oz	2605	ounce
nickel	7.5	lb
copper	4.4	lb
iron	100	tonne 62% Fe

Source: East Coast Research & Capital IQ

On this basis, we calculate TM1's adjusted in-situ value at A\$17.2b in the Base Case and A\$22.1b in the Bull Case. Applying the peer average adjusted EV/in-situ multiple, this implies an enterprise value of A\$30.2 million and A\$38.9 million, respectively. After adding back cash of A\$1.22 million (per Q1 2025 Report), and assuming nil debt and no minority interests, we derive a total equity value of A\$31.4 million in the Base Case and A\$40.1 million in the Bull Case.

Diluting the share count to reflect full conversion of both Class A and B performance shares, we estimate a total of 437.2 million shares on issue, leading to an implied valuation of A\$0.072/share in the Base Case and A\$0.092/share in the Bull Case. This compares to a current share price of just A\$0.026, implying 177% upside in the Base Case and 253% in the Bull Case. The mid-point fair value of A\$0.082/share represents a conservative Price/NAV of just 0.32x, highlighting the deep value disconnect.

Terra Metals' micro-cap status, with a current market capitalisation of approximately A\$10 million, naturally heightens the risks associated with funding, exploration continuity, and operational execution. However, this early-stage positioning also provides investors with meaningful leverage to potential upside should exploration success lead to formal resource definition and technical derisking. The valuation presented applies rigorous discounts to mitigate the risk of overstatement, offering a balanced and conservative assessment of the company's potential intrinsic value.

It is important to note, the model does not account for the likely cost advantages associated with Dante's shallow, near-surface mineralisation—well-suited to low-strip, open-pit mining—and it excludes the economic benefits of the project's exceptional metallurgy. Dante has already demonstrated strong recoveries across multiple commodities using simple, low-cost processing methods, a rare advantage in polymetallic systems. If both the mining and processing cost efficiencies are realised, they could materially improve project economics by enhancing margins, lowering capital intensity, and supporting a higher valuation multiple relative to peers. As these advantages are not currently reflected in the model, **the valuation remains deliberately conservative, leaving significant potential upside as further technical studies advance.**

Terra Metals' resource estimates are anchored to a conservative initial resource range based on the 60–110Mt initial Dante exploration target and has not fully incorporated the broader projectwide potential, which we estimate at 425–981Mt. As drilling progresses, the in-situ value is expected to increase substantially, unlocking the project's full scale and economic significance.

Additionally, our analysis does not assign value to Terra's two other WA-based assets, Onslow (Cu-Au) and Southern Cross (Ti-Li-V), nor does it account for optionality tied to project advancement, strategic offtake, or alignment with national critical minerals strategies. When analysing the median peer group adjusted in-situ and examples like Surefire and AVL commanding meaningful

Terra Metals' micro-cap status, with a market capitalisation of around A\$10 million, inherently increases risks related to funding, exploration continuity, and operational execution.



premiums despite similar exploration stage status, we believe the market is yet to fully recognise Terra Metals' exposure to future-facing metals and WA-based multi-commodity scale.

The selected peer group comprises Australian and UK-listed explorers with exposure to futurefacing metals, with main operations in Western Australia with a strong critical minerals narrative. Surefire Resources (ASX:SRN) is advancing the Victory Bore Project near Mt Magnet, Western Australia, targeting a large-scale vanadium-titanium-iron resource hosted within magnetite-rich layers. Galileo Mining (ASX:GAL) is focused on its Callisto Project near Norseman in WA, a sulphiderich intrusion hosting nickel, copper, cobalt, palladium, and platinum, where it has defined disseminated and massive sulphide mineralisation. Chalice Mining (ASX:CHN) is developing the Gonneville deposit, part of the larger Julimar Project near Perth, which has emerged as one of Australia's most significant recent discoveries, containing nickel, copper, cobalt, platinum group elements (PGEs), and gold in a layered mafic-ultramafic intrusion. Australian Vanadium (ASX:AVL) is progressing the Australian Vanadium Project near Meekatharra in WA, underpinned by a DFS and planned processing infrastructure. Empire Metals (AIM:EEE), listed on the London Stock Exchange, is exploring the Pitfield Project in the Midwest region of WA, which hosts a significant, sediment-hosted titanium system, characterised by laterally extensive, high-grade zones amenable to low-cost development. Collectively, these peers provide a credible benchmark for Terra Metals, with similar commodity exposure (vanadium, titanium, PGEs, copper), development optionality, and jurisdictional advantage in Western Australia.

The titanium dioxide (TiO₂) and vanadium pentoxide (V_2O_5) grades identified at the Dante Project significantly outperform those of the peer set, highlighting a notable advantage in Terra Metals' asset portfolio. Higher grades of TiO₂ and V_2O_5 directly contribute to a more robust project valuation, as they suggest superior economic viability and potential for lower production costs per unit. This distinction is particularly critical when comparing early-stage explorers where resource quality and grade consistency drive market perception and investment appeal. Furthermore, elevated grades increase the likelihood of achieving competitive margins, especially given the rising demand for critical minerals associated with the energy transition, including vanadium's role in battery technologies and titanium's use in aerospace and industrial applications.



In-Situ Resource Calculations

	Terra Metals*	Surefire	Galileo Mining	Chalice	Australian Vanadium	Empire Metals Titanium
Trading						
Code	ASX:TM1	ASX:SRN	ASX:GAL	ASX:CHN	ASX:AVL	AIM:EEE
Market Cap.						
	11.8	7.3	21.7	441.6	86.4	140.8
Enterprise Value	9.3	6.8	10.6	353.8	66.0	134.2
Resource (Mt)	100	557	17.5	660	239	30000
Cu%						
	0.25	-	0.16	0.083	-	-
Au g/t						
	0.2	-	0.045	-	-	-
Pt (ppm)						
Dd (mmm)	0.4	-	0.15	-	-	-
Pa (ppm)						
PCF3 (nnm)	0.1	-	0.82	0.79	-	-
rans (ppin)			1.015	0.50		
Rh	0.7	-	1.015	0.79	-	-
i iii			0.027			
V205%	-	-	0.027	-	-	-
120370	0.7	0.62482			0.77	
TiO ₂ %	0.7	0.02482		-	0.77	-
	19	8 67412	-	_	-	5
Ni%	17	0107 112				
	0.04	-	0.2	0.15	-	-
Co (ppm)						
	150	-	-	150	-	-
Fe2O3						
	50	28.30806	-			
Value/Tonne						
(PGE4)	32.146	-	34.20055	24.8692	-	-
Value/Tonne						
(Cu)	\$24	-	\$16	\$8	-	-
PGE4						
Cu + /- Ni	\$3,214,600,000	-	\$598,509,625	\$16,413,672,000	-	-
Cu +/- M	#2 425 007 500		#0.40 700 AFO	¢21 (20 525 022		
Fe V (as V ₂ O=	\$2,425,087,500	-	3848,/80,450 \$	\$41,039,535,830 \$	-	-
flake)	\$0,000,000,000	¢EE 66E 210 626			¢21 052 022 000	
Ti as	<u> </u>	\$33,003,319,026		-	<u></u> φ21,053,032,000	-
Ilmenite	\$11,856,000,000	\$30 148 465 402	-	_	_	\$936 000 000 000
Ti as	φ11,050,000,000	φ30,170,703,402		-	-	\$750,000,000,000
pigment	\$121,600.000.000	\$309,215.000.000	-	-	-	\$9,600,000.000.000
	,,,	, .,,				,

Source: Company, East Coast Research, Capital IQ

*The Terra Metals' estimates are based on the conservative initial exploration target of 60–110Mt and do not yet reflect the broader project-wide potential we estimated at 425–981Mt.



TM1's multicommodity exposure positions it to support secure, ESG-aligned critical mineral supply chains amid growing geopolitical focus on friendshoring. The multi-commodity nature of the Dante Project offers valuable diversification and embedded downside protection against price volatility in any single commodity. This diversity enhances the likelihood of economic development optionality. Moreover, TM1's 100% ownership of three Western Australia-based assets strategically aligns the company with the rising demand for secure, ESG-compliant critical mineral supply chains, particularly in the context of increasing geopolitical focus on friend-shoring and reduced dependency on overseas processing hubs. Assuming modestly improved sector sentiment and a higher confidence weighting applied to the in-situ resource base, TM1 stands to benefit meaningfully from the growing institutional focus on supply chain resilience and clean energy metals. With tier-1 jurisdictional exposure, increasing interest in vanadium and titanium supply chains, and peer comparables trading at materially higher EV/resource multiples, Terra Metals is well-positioned for a meaningful rerating as its exploration narrative progresses and the market begins to recognise the strategic relevance of its commodity mix and geological scale.



Key Catalysts for Re-rating of Terra Metals

TM1 is currently trading at a significant discount to our mid-point fair valuation. Delivery on the following milestones could unlock substantial shareholder value and drive a re-rating of the stock:

Maiden JORC-Compliant Mineral Resource Estimate (MRE)

• The delivery of a JORC 2012-compliant MRE at the Dante Project—particularly at Reef 1 would validate the scale and grade potential of the polymetallic system. With drilling confirming continuity of high-grade titanium, copper, PGEs, and vanadium over >2.5km strike, an MRE would shift investor perception from early-stage exploration to resourcedefinition phase.

Exploration Target Expansion and New Reefs:

• Ongoing drilling and geophysics are aimed at expanding the current Exploration Target beyond Reef 1 North. The presence of multiple, untested stratiform reef systems across the 20km+ Dante trend offers a clear vector for resource scale growth and geological upside

New high-grade discoveries:

• Next phase of drill targeting includes multiple undrilled reefs layers at different stratigraphic positions, which have the potential to contain higher-grade copper-gold mineralisation. Structurally thickened zones and remobilised copper—gold mineralization along structures remain to be targeted in the next phase of drilling.

Discovery of Feeder Zones

• Large layered intrusions often contain "Feeder Zones" which can contain much thicker and higher grade mineralisation. The Company is yet to target these zones, which will be included in the next phases of drill targeting.

Scoping Study or Economic Assessment:

• The commencement of initial metallurgical testing and development studies (e.g. Scoping Study) would materially de-risk the Dante Project by providing clarity on potential process flowsheets, concentrate grades, and project economics—key drivers of institutional confidence

Re-rating in Titanium and Vanadium Markets

• Both TiO_2 and V_2O_5 prices have seen renewed interest as supply chains pivot toward domestic, ESG-compliant sources. A structural upward shift in critical mineral valuations—driven by decarbonisation, battery demand, and infrastructure applications—would lift peer multiples and flow through to TM1's valuation.

Improved Market Visibility and Institutional Support:

• Continued execution on exploration milestones, increased analyst coverage, and broader institutional investor engagement, particularly from ESG or critical minerals-focused funds, would enhance TM1's market positioning and improve share liquidity.



Risks

While we see substantial re-rating potential in Terra Metals, investors should be mindful of several key risks that could impact the pace or scale of value realisation:

Commodity Price Volatility

• TM1's valuation is highly leveraged to the pricing of critical minerals including titanium dioxide (TiO₂), vanadium pentoxide (V₂O₅), copper, and PGEs. A material and sustained downturn in any of these commodities—particularly vanadium and titanium, which are less liquid and prone to pricing volatility—could weaken investor sentiment and affect project economics.

Exploration and Resource Definition Risk

• TM1 remains at an early stage of exploration, with no formal JORC 2012-compliant Mineral Resource Estimate (MRE) in place. While drilling has confirmed high-grade mineralisation, failure to define a sizeable, continuous resource or to meet market expectations on grade or scale could limit the company's re-rating potential and delay the transition to development studies.

Permitting and Tenure Risk

• Although TM1 operates within Western Australia, one of the world's most favourable mining jurisdictions, exploration projects remain subject to regulatory processes and native title considerations. While agreements are in place, delays in future permitting or heritage approvals could impact drill timing and project momentum.

Funding and Capital Markets Risk

• As a pre-resource explorer, TM1 will likely require additional capital to fund ongoing drill programs, metallurgical studies, and project advancement. Market conditions and sector sentiment may influence the availability and pricing of capital. If equity raisings occur at lower prices, existing shareholders could face dilution.

Development Execution and Technical Risk

• The polymetallic nature of the Dante Reefs presents metallurgical and processing complexity. If early-stage test work does not confirm favourable recovery rates or economic concentrate grades, this may challenge future scoping or feasibility studies and reduce the commercial attractiveness of the project.



Appendix I: TM1 SWOT Analysis

Figure 18: SWOT analysis

	Strengths	Weakness			
1. 2. 3. 4.	Multi-Commodity Critical Minerals Exposure: TM1's flagship Dante Project offers exposure to a suite of strategic metals including vanadium, titanium, copper, PGEs, and gold—all critical to decarbonisation and advanced manufacturing supply chains. High-Grade Near-Surface Mineralisation: Drilling has confirmed consistently high TiO ₂ , V ₂ O ₅ and Cu grades from or near surface across a 2.5km strike, enhancing the project's potential for low-cost open-pit development. Tier-1 Jurisdiction & Strategic Location: Located in WA's West Musgrave region near BHP's Nebo-Babel, TM1 benefits from strong geological pedigree and infrastructure investment in the region. Tenement Expansion & Geological Scale: The option to acquire an additional 618km ² of contiguous ground positions TM1 to potentially control one of Australia's most significant Bushveld-analogous polymetallic reef systems.	 Pre-Resc explorati published Resource interest a benchma Depende non-reve external 4 Equity ra cycles co Limited Metallurg and econ been initi assumpti untested. Early Sta Cross Pr assets re valuation speculati 	 burce Stage: Despite strong on results, TM1 has not yet d a JORC-compliant Mineral Estimate, limiting institutional and formal project valuation urks. ence on Equity Markets: As a ence explorer, TM1 relies on capital to fund operations. uisings during weaker market uld lead to shareholder dilution. Technical Studies to Date: gical test work, scoping studies, iated, leaving recovery ions and development scenarios age at Onslow & Southern rojects: While prospective, these main underexplored, and their n contribution is currently ive. 		
	Opportunities		Threats		
1. 2. 3. 4.	JORC Resource Definition at Dante: A maiden JORC 2012 resource would materially de-risk the Dante Project and could act as the key catalyst for a valuation re-rating. Scale & Discovery Growth Potential: Multiple untested reefs across the Dante trend offer significant potential for new discoveries and large-scale resource upside. Strategic Positioning in Critical Minerals: Growing demand for secure, ESG-compliant supply chains—driven by friendshoring, EVs, and battery storage—aligns strongly with TM1's commodity mix and project location. Increased Institutional & Government Support: TM1's exposure to critical minerals may attract co-funding through federal/state programs (e.g. Exploration Incentive Scheme) or partnerships with downstream players.	 Commod exposure vanadium pricing ri softens o Explorat drilling is and conti the broad delays co Permitti Future de from evo especially exposure Market I Awarene explorer, consister liquidity term reso 	lity Price Volatility: TM1's e to less-liquid markets like n and titanium introduces isk, particularly if global demand r substitutes emerge. tion Execution Risk: Continued s needed to confirm consistency inuity of mineralisation across der system. Poor results or buld reduce market confidence. ing & Heritage Considerations: evelopment could face delays dving heritage regulations, y as TM1 expands tenement e and exploration footprint. Liquidity & Investor ess: As a sub-A\$15m market cap , TM1 may struggle to attract at market visibility and trading until it delivers a clear near- ource milestone.		

Source: East Coast Research



Appendix II: Board of Directors

Terra Metals' Board brings a wealth of experience in mining exploration, corporate leadership, and resource development, guiding the company's strategic growth and project expansion.

Figure 19: Terra Metals Board of Directors + Key Management

Name and Designation	Profile
 Mr Thomas Line CEO & Managing Director 	• Mr Thomas Line is an experienced geologist, project generator, and mining executive with over 12 years of experience in exploration, mining, and resource development. He previously served as CEO of Taruga Minerals Ltd (ASX: TAR), where he led initiatives in critical minerals and project advancement.
	• Mr Line holds an Honours degree in Geology and is a member of the Australian Institute of Geoscientists. He is dedicated to advancing the Company's critical mineral projects in Western Australia. Mr Line was appointed as a Director of the Company on 30 October 2023 and has not held a directorship in any other listed companies during the past three years.
Mr Ian Middlemas Chairman 	• Mr Ian Middlemas is a Chartered Accountant with a Bachelor of Commerce degree. He began his career at a major international accounting firm before transitioning into the resources sector, where he served as a senior group executive at Normandy Mining Group for nearly a decade.
	• With extensive corporate and management experience, Mr Middlemas has held board positions across numerous publicly listed resource companies. He was appointed Director of the Company on 16 October 2013 and assumed the role of Chairman on 7 January 2014. Over the past three years, he has served as a director at several ASX-listed companies, including NGX Limited (April 2021–present), Constellation Resources (November 2017–present), Apollo Minerals (July 2016–present), Berkeley Energia (April 2012–present), GreenX Metals (August 2011–present), Salt Lake Potash (Receivers and Managers Appointed) (January 2010–present), Equatorial Resources (November 2009–present), Sovereign Metals (July 2006–present), Odyssey Gold (September 2005–present), and formerly Peregrine Gold (September 2022).
 Mr Benjamin Cleary Non-Executive Director 	• Mr Ben Cleary is a Portfolio Manager and Director at Tribeca Investment Partners, with over 20 years of experience in the natural resources sector. He has played a key role in managing the Tribeca Global Natural Resources strategies, which have been involved in transactions exceeding \$10 billion across the sector.
	• 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. He was appointed as a Director of the Company on 16 June 2022 and currently serves as a Director of Tribeca Global Natural Resources Limited (July 2018–present).
 Mr Ryan de Franck Non-Executive Director 	 Mr Ryan de Franck is the Executive Director of the Valperlon Group, an Australian- based project generation and corporate development firm focused on the natural resources sector. He brings a multidisciplinary background to the role, holding a Bachelor of Commerce from the University of Western Australia, a Master of Applied Finance from FINSIA, and a Graduate Diploma in Mineral Exploration Geoscience from the Western Australian School of Mines. Mr de Franck was appointed as a Director of the Company on 16 June 2022. Within
	the past three years, he has also served as a Director of Fin Resources Limited (July 2021 – May 2022).



 Mr Haydn Smith Non-Executive Director 	• Mr Haydn Smith is the Managing Director of Wundowie Carbon, a biocarbon company focused on reducing greenhouse gas emissions in hard-to-abate sectors such as steelmaking. Prior to this, he led the Natural Resources Credit business at Tribeca Investment Partners, following a 20-year tenure at Macquarie Bank where he served as Executive Director and Executive Committee Member within 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. He was appointed as a Director of the Company on 16 June 2022 and has not held directorships in any other listed companies during the past three years.
Mr Mark PearceAlternate Director	• Mr Mark Pearce is a Chartered Accountant with significant experience in the formation and development of listed resource companies. He currently serves as a director of several ASX-listed entities in the resources sector. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and a member of the Financial Services Institute of Australasia.
	 Mr Pearce was appointed as Alternate Director for Mr Ian Middlemas on 16 June 2022. Over the past three years, he has held directorships in NGX Limited (April 2021 – present), Constellation Resources Limited (July 2016 – present), GreenX Metals Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), and formerly Peregrine Gold Limited (September 2020 – February 2022).

Source: Company & ASX Announcements



Appendix III: Other Projects; Early-Stage Catalysts at Onslow and Southern Cross

In addition to its flagship Dante Project, **Terra Metals is advancing two highly prospective early-stage assets in Western Australia: the Onslow Copper-Gold Project and the Southern Cross Lithium Project.** While both projects are at earlier stages of exploration, each offers substantial upside potential through strategic location, favourable geology, and early success in geophysical and geochemical targeting.

The Onslow Copper-Gold Project is situated in the northwestern extension of the Capricorn Orogen, a tectonic zone known for its gold and copper endowment. The project spans a total area of 567km² across three tenements, comprising 100% ownership of granted licence E08/3311 (121km²), an agreement to acquire 80% of granted licence E08/3197 (188km²), and a new application for E08/3462 (258km²) which is adjacent to E08/3311. Located in a region historically overlooked for its basement potential, previous drilling in the 1990s primarily targeted pisolitic iron mineralisation in the cover sequence, leaving the deeper Proterozoic basement largely untested. This underexplored setting presents an attractive opportunity to uncover new mineral systems.

Recent exploration has significantly enhanced the geological understanding of the area. Terra completed a 1,538 line-kilometre high-powered airborne electromagnetic (EM) and magnetic survey across the two granted licences (Figure 19). The survey, flown at 200-metre line spacing, identified 11 priority targets exhibiting strong mid- to late-time EM responses. These anomalies are considered highly prospective for iron-oxide copper-gold (IOCG) and banded-iron-formation (BIF) hosted gold systems, both of which are known to occur within the Capricorn Orogen. Importantly, many of these EM features have never been drill-tested, marking a substantial pipeline of first-pass targets.

The underexplored setting offers a compelling opportunity to discover new mineral systems.





Figure 19: Onslow copper-gold project EM Survey

Source: Company

As Terra progresses to air-core drilling and further geochemical analysis, these targets may validate the Company's thesis of concealed copper-gold systems at depth. Onslow's combination of size, structural setting, and a virtually untouched basement offers a compelling greenfield discovery opportunity.

Complementing Terra's copper-gold exploration efforts is the Southern Cross Lithium Project, located within the Archaean Yilgarn Craton—one of the most lithium-endowed geological provinces in the world. The project is positioned along the Koolyanobbing Shear Zone, a major northwest-trending crustal-scale structure known to host significant lithium mineralisation. Notably, the Southern Cross Project lies along trend from two of Western Australia's major hard rock lithium resources: Mt Holland (186Mt @ 1.53% Li₂O) and Split Rocks (11.9Mt @ 0.74% Li₂O).

Early-stage geochemical sampling has already delivered promising results. A 1,770-sample UltraFine soil program conducted across the tenements has defined a large lithium-in-soil anomaly measuring approximately 10km x 2km. The anomaly is characterised by elevated lithium values above 100ppm Li_2O , spatially coincident with the Koolyanobbing Shear Zone and favourable greenstone and granitoid lithologies. This large-scale geochemical footprint suggests the potential for a substantial lithium-bearing pegmatite system.

Terra Metals plans to accelerate exploration at Southern Cross by infilling the current soil grid, which is currently spaced at 500m x 500m, to refine target zones for follow-up mapping and drill testing. The combination of favourable structural geology, proximity to major lithium mines, and early success in surface geochemistry supports the Southern Cross Project as a high-potential lithium exploration play.

While Dante remains Terra Metals' flagship development, the Onslow and Southern Cross projects offer compelling additional upside. As greenfield assets in highly prospective regions, both represent meaningful re-rating catalysts, with any significant discovery at either project having the potential to materially enhance TM1's valuation.



Appendix IV: Analyst's Qualifications

Will Cairns is an experienced finance professional with over six years' experience in equity research, portfolio management, and investment analysis. Will applies a disciplined, research-driven approach to uncover investment opportunities and deliver actionable insights that support long-term portfolio growth.

Will holds a Master of Science in Economics from the University of St Andrews and a Master of Arts in Economics from the University of Aberdeen. He is a qualified Financial Adviser (DipPFS) and has completed CFA Levels I and II, as well as the CFA ESG Investing Certificate. He is passionate about maximising investment potential through comprehensive market research, effective portfolio reporting, and clear communication of complex financial strategies to senior executives and investors.

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