# Terra Metals Ltd

**TM1.AX**

A research platform of MST Financial

24 August 2026

# Southwest Scaling Up

**Equity Research Australia**

**Materials**

**Chris Drew,** Research Analyst
chris.drew@mstaccess.com.au

## NEED TO KNOW

- **2026 drilling has grown Southwest to extend over 1,100m of strike with ~700m width, down to 750m depth**
- **Broadest intercept to date returned 448m @ 0.87g/t PGE3, 0.15% Ni with high grade sub-intervals**
- **Drilling to continue with assays to be reported through balance of 2026 ahead of maiden Southwest Resource**

**Scale building at Southwest:** Ahead of the 2026 drilling campaign, Southwest covered an 850m x 650m mineralised area down to 350m depth. With results now coming in from the current drilling campaign, each of these dimensions has been exceeded. The latest drilling has extended Southwest to cover 1100m x 700m, with mineralisation down to 750m. This reflects a material increase in the scale of the system, which continues to build as the drilling program continues.

**Drilling demonstrates Southwest is a standout PGE deposit:** Deeper diamond tail drilling has continued to highlight the extent of the Southwest system. SWRD051 returned 448m @ 0.87g/t PGE3, 0.15% Ni, 0.08% Cu from 102m, and final assays for SWRD052 returned 275m @ 0.91g/t PGE3, 0.17% Ni from 170m plus a further 114m @ 0.95g/t PGE3, 0.15% Ni from 454m. True thickness stands at approximately 400m. In the context of typical PGM systems, Southwest stands out as an extremely thick, large-scale system commencing at surface, with consistent high-grade sub intervals and attractive, consistent nickel and copper by-product mineralisation.

**SW5 and SW6 are now one deposit, open in all directions:** Initially SW5 and SW6 were considered to be two distinct discovery zones, roughly 850m apart. Three holes drilled into the gap between them all hit mineralisation and ended in mineralisation. SW5 and SW6 are now considered to lie within a single continuous corridor defined over more than 1,100m of strike, with approximately 700m of width and at least 750m of depth. The system also remains open along strike and at depth in multiple directions.

## Investment Thesis

**A district scale powerhouse:** TM1 offers unique, multi-commodity exposure to critical energy and industrial metals at a time of tightening global supply. The broader Dante Project, including the outstanding Southwest discovery is a rapidly growing opportunity in a well-understood geological setting within a Tier-1 mining jurisdiction. With a strong balance sheet, a leading technical team, and district-scale exploration upside, TM1 is uniquely positioned to ultimately transition into a globally significant producer. The current valuation is undemanding given the sheer scale of the opportunity ahead, with ongoing updates through 2026 and 2027 set to drive further upside as the extent of the value on offer continues to be revealed.

## Valuation: $1.05

Our valuation remains unchanged. We adopt EV/oz metrics using PGM peer group comps to value the Dante Reefs Resource and our conservatively estimated initial Resource at Southwest. Key risks are typical to mining developments - exploration success, commodity prices, funding, approvals, and environmental factors.

Terra Metals Limited (TM1) has rapidly evolved from an early-stage explorer into a well-capitalised developer with one of the most exciting exploration projects globally. The high-grade, near-surface Southwest PGM-Cu-Ni discovery has propelled the company into a leading position among global PGE opportunities. The Southwest geological setting is directly analogous to South Africa's prolific Bushveld Complex, and the scale of untested ground is extensive. The combination of world-class geological prospectivity delivering world leading exploration results, with an extremely strong balance sheet that supports rapid project development, positions the Company to deliver substantial value as it advances towards production.

| | |
|---|---|
| Valuation | **A$1.05** *(unchanged)* |
| Current price | **A$0.24** |
| Market cap | **A$247m** |
| Cash on hand | **A$75m** *(30 June)* |

### Upcoming Catalysts / Next News

| Period | |
|---|---|
| 2026 | Phase 4 Southwest drilling results |
| 2026 | Southwest geophysics |
| 2027 | Maiden Southwest Resource |
| H2 2026 | Updated Dante Reefs Resource |

### Share Price (A$)


*Source: FactSet, MST Access*

# Financial Summary

**Figure 1: TM1 Financial Summary**

| TERRA METALS LTD | | | TM1.AX |
|---|---|---|---|
| Year end 30 June | | | |

| MARKET DATA | | |
|---|---|---|
| Share Price | A$/sh | **0.24** |
| 52 week high/low | A$/sh | 0.08 - 0.47 |
| Valuation | A$/sh | 1.05 |
| Market Cap (A$m) | A$m | 247 |
| FY26 Y/E Net Cash / (Debt) (A$m) | A$m | 75 |
| Enterprise Value (A$m) | A$m | 172 |
| Shares on Issue | m | 1,031 |
| Options/Performance shares | m | 114 |
| Other Equity | m | 0 |
| Fully Diluted Shares on Issue | m | 1,145 |

| Valuation (fully diluted share count) | A$m | A$ps |
|---|---|---|
| Southwest | 933 | 0.81 |
| Dante Reefs | 187 | 0.16 |
| Add: Cash from options | 7 | 0.01 |
| Add: Net Cash (as at 31 December 2026) | 63 | 0.05 |
| **TM1 Equity Valuation - Diluted** | **1,190** | **1.05** |

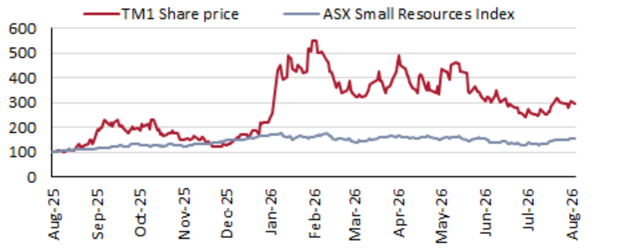
| INVESTMENT FUNDAMENTALS (June Y/E) | | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|
| EPS Reported (undiluted) | ¢ps | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| DPS | ¢ps | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 |
| Dividend Yield | % | 0% | 0% | 0% | 0% | 0% |
| OpCF/Share | A$ | (0.00) | (0.01) | (0.02) | (0.02) | (0.02) |
| FCF/Share | A$ | (0.00) | (0.01) | (0.02) | (0.02) | (0.02) |
| FCF Yield | % | -2% | -2% | -9% | -10% | -10% |
| Book Value / Share | A$ | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| Year End Shares | m | 478 | 1,031 | 1,270 | 1,270 | 1,270 |
| Net Cash / (Debt) | A$m | 1 | 3 | 75 | 50 | 26 |
| | | | | | | |
| EV/EBITDA | x | nm | nm | nm | nm | nm |
| Net Cash (Debt) / Enterprise Value | x | 0.0 | 0.0 | 0.4 | 0.3 | 0.1 |
| Net Cash (Debt)/ Equity | % | nm | nm | nm | nm | nm |

| Resource - Dante Reefs | Resource | TiO2 | V2O5 | Cu | 3PGE | PtEq |
|---|---|---|---|---|---|---|
| | Mt | % | % | % | g/t | g/t |
| Indicated | 38 | 18.4 | 0.73 | 0.23 | 0.71 | 3.1 |
| Inferred | 110 | 13.5 | 0.47 | 0.16 | 0.21 | 1.9 |
| **Total Resource** | 148 | 14.8 | 0.54 | 0.18 | 0.33 | **2.2** |

| Resource - Dante Contained Metal | Resource | TiO2 | V2O5 | Cu | 3PGE | PtEq |
|---|---|---|---|---|---|---|
| | Mt | kt | kt | kt | koz | Moz |
| Indicated | 38 | 6,992 | 277 | 87 | 839 | 3.8 |
| Inferred | 110 | 14,850 | 517 | 176 | 718 | 6.8 |
| **Total Resource** | 148 | 21,904 | 799 | 266 | 1,519 | **10.6** |

| Management & Board ownership | Shares | Perf Rights | Options |
|---|---|---|---|
| | (m) | (m) | (m) |
| Ian Middelemas - Non Exec Chair (Former) | 11.5 | | 0.28 |
| Thomas Line - CEO & MD | 10.7 | 0.47 | 17.50 |
| Haydn Smith - NED | 3.0 | | 0.69 |

**12-Month Relative Performance vs S&P/ASX Metals & Mining**




| Profit & Loss (A$m) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Revenue | - | - | 0.0 | - | - |
| Expenses | (5.0) | (6.0) | (25.0) | (27.0) | (27.0) |
| **EBITDA** | **(5.0)** | **(6.0)** | **(25.0)** | **(27.0)** | **(27.0)** |
| D&A | (0.0) | (0.0) | (0.1) | (0.1) | (0.1) |
| **EBIT** | **(5.0)** | **(6.0)** | **(25.1)** | **(27.1)** | **(27.1)** |
| Net Interest Expense / (Revenue) | 0.1 | 0.1 | 1.2 | 2.0 | 1.8 |
| Tax | - | - | - | - | - |
| **NPAT** | **(4.9)** | **(5.9)** | **(23.9)** | **(25.1)** | **(25.3)** |
| Exceptionals | - | - | - | - | - |
| **NPAT attributable to TM1** | **(4.9)** | **(5.9)** | **(23.9)** | **(25.1)** | **(25.3)** |

| Balance Sheet (A$m) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Cash | 0.6 | 3.3 | 75.1 | 50.4 | 25.5 |
| Trade & Receivables | 0.3 | 0.1 | 0.8 | 0.8 | 0.8 |
| Inventory | - | - | - | - | - |
| PP&E | 0.1 | 0.1 | 0.4 | 1.0 | 1.6 |
| Exploration & Evaluation Assets | 5.3 | 5.9 | 5.9 | 5.9 | 5.9 |
| Other | - | - | 0.0 | 0.0 | 0.0 |
| **Assets** | **6.4** | **9.4** | **82.3** | **58.2** | **33.9** |
| Creditors | 1.5 | 1.9 | 3.0 | 3.0 | 3.0 |
| Debt | - | - | - | - | - |
| Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Deferred Consideration) | - | - | 0.0 | 0.0 | 0.0 |
| **Liabilities** | **1.5** | **1.9** | **3.1** | **3.1** | **3.1** |
| **Net Assets** | **4.8** | **7.5** | **79.2** | **55.1** | **30.8** |

| Cashflow (A$m) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Operating Receipts & Payments | (1.0) | (1.2) | (3.4) | (4.0) | (4.0) |
| Interest | 0.1 | 0.1 | 1.0 | 2.0 | 1.8 |
| Tax | - | - | - | - | - |
| Payment for E&E (expensed) | (3.0) | (4.8) | (19.2) | (22.0) | (22.0) |
| Other | - | - | (0.8) | - | - |
| **Net Cash From Operations** | **(3.9)** | **(5.9)** | **(22.4)** | **(24.0)** | **(24.2)** |
| Capex | (0.8) | (0.0) | (0.4) | (0.7) | (0.7) |
| Other | - | - | (0.0) | - | - |
| **Free Cash Flow** | **(4.8)** | **(5.9)** | **(22.8)** | **(24.7)** | **(24.9)** |
| Equity raise (net of cost) | 2.1 | 7.5 | 94.6 | - | - |
| Borrowings drawn/(repaid) | - | - | - | - | - |
| Other | - | 1.0 | (0.0) | - | - |
| **Net Increase / (Decrease) in Cash** | **(2.7)** | **2.6** | **71.8** | **(24.7)** | **(24.9)** |

*Source: TM1, MST*

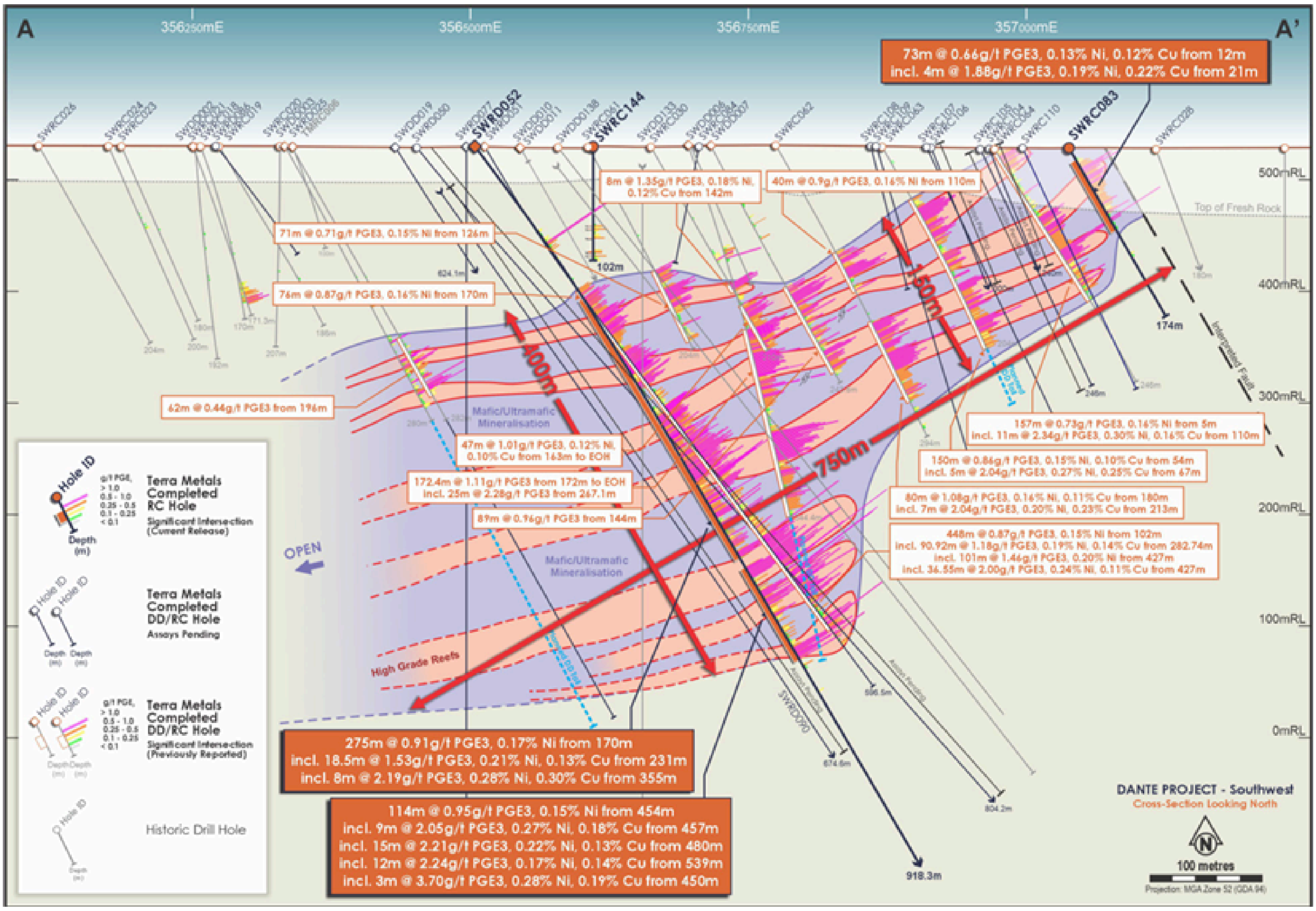
# Coming together at Southwest

TM1 has reported a number of Southwest drilling results from its 2026 drilling campaign in recent weeks. The results highlight that the scale of the opportunity at Southwest is continuing to grow. Following the 2025 discovery drilling, the Southwest system was defined over ~850m of strike and 650m of width and had been tested down to 348m depth. It is now defined over more than 1,100m of strike, approximately 700m of width and at least 750m down-dip from surface. It remains open in multiple directions. The area has increased by approximately 40%, and the tested vertical extent has more than doubled.

Alongside the building scale, the nature of mineralisation has also been consistent - thick intersections of PGE mineralisation, with high-grade sub intervals and the consistent presence of nickel and copper by-products. The broad mineralisation envelope runs at approximately 0.7g/t to 1.1g/t PGE3 with nickel typically 0.15% to 0.17% and copper 0.10% to 0.15%. Within that envelope, drilling has repeatedly delivered stacked higher-grade reefs at ~1.25g/t to 3g/t PGE3 over intervals of 8m to 50m. Internal higher-grade reefs have been intersected in almost every hole along the corridor highlighting their broader presence. This continues to support a very attractive development scenario - shallow, low strip mineralisation over a broad area with economics further enhanced by consistent by-product credits continuous high-grade zones within the wider mineralisation envelope.

The variables that we see as driving value at this stage for TM1 include footprint, thickness, grade continuity and depth, and all four have moved in TM1's favour as the results from the drilling program are coming through. With more than 52,000m of drilling completed at Southwest and only 22,612m reported, the assay pipeline remains extensive. TM1's balance sheet position remains excellent, with a 30 June cash balance of A$75m providing more than sufficient funding to continue to advance drilling, report the maiden Resource and deliver initial studies through 2026 and into 2027. We continue to believe the current share price does not reflect the scale of the opportunity ahead for TM1.

**Figure 2: Southwest cross section showing 400m interval, high-grade sub-intervals, and near surface mineralisation**




*Source: TM1*

Report prepared by MST Access, a registered business name of MST Financial Services Limited ABN 54 617 475 180 AFSL 500 557.

# Key outcomes from the 2026 drilling campaign

## 1. Thickness is being demonstrated at ~400m

Initial drilling results from the RC pre-collar holes consistently ended in mineralisation. The diamond tails to these holes have started to confirm the full thickness and depth extent of mineralisation:

- SWRD051 delivered 448m of continuous PGE-Cu-Ni mineralisation at 0.87g/t PGE3 from 102m
- SWRD052 reported 275m @ 0.91g/t PGE3 from 170m and 114m @ 0.95g/t PGE3 from 454m, an envelope extending ~400m from 170m to 568m depth.

TM1 interprets true thickness at approximately 400m and describes the mineralised ultramafic package as ranging from ~150m to over 500m thick, thickening down-dip. Further diamond tail results are anticipated from at SWRD055 (diamond drilled down to 618m), SWRD057 (725m), SWRD071 (729m), with additional holes drilled as deep as 918m all remain outstanding.

## 2. High-grade reefs consistent along the full corridor

Within the broader mineralisation envelope running at ~0.7g/t to 1.1g/t PGE3, drilling has consistently delivered higher-grade sub-intervals including:

- 36.6m @ 2.00g/t PGE3 and 90.9m @ 1.18g/t in SWRD051
- 18.5m @ 1.53g/t, 15m @ 2.21g/t and 12m @ 2.24g/t in SWRD052
- 11m @ 2.62g/t and 34m @ 1.32g/t in SWRD057
- 22m @ 1.67g/t and 9m @ 2.01g/t in SWRC053
- 12m @ 2.02g/t in SWRD055
- 47m @ 1.35g/t and 7m @ 2.04g/t in SWRC062
- 50m @ 1.27g/t and 3m @ 5.05g/t in SWRC064
- 16.3m @ 2.56g/t in SWDD011

The stacked higher-grade reefs will be a major benefit to project economics. A broader envelope with repeated internal higher-grade zones also adds optionality around cut-off and scale and potentially enables a staged mining sequence around grade profiles.

## 3. The footprint is expanding

Hole SWDD017 extended the strike 150m beyond the prior limit. The hole establishes that the mineralised system continues further north than previously mapped. The overall strike length now reaches 1100m at a width of 700m. This reflects an area ~40% larger than the footprint established by the 2025 drill program.

## 4. Consistent presence of Ni-Cu by-products

One of the notable features of the 2026 drilling is the consistency of the copper and nickel grade across the Southwest corridor. Nickel has been reported at 0.15% to 0.17% in almost every broad intercept, including

- 448m @ 0.15% Ni in SWRD051,
- 275m @ 0.17% Ni and 114m @ 0.15% Ni in SWRD052,
- 157m @ 0.16% Ni from 5m in SWRC064,
- 150m @ 0.15% Ni in SWRC063
- 80m @ 0.16% Ni in SWRC062,
- 100m @ 019% in SWDD011

Copper sits in a similarly tight 0.08% to 0.12% band over the same intervals.

The base metals also track the PGE grade upwards: the stacked higher-grade reefs carry 0.24% to 0.36% Ni and 0.11% to 0.25% Cu.

Like thickness, stacked high-grade sub-intervals, and the near surface mineralisation, the consistent by-products will deliver economic benefits to the development of Southwest.

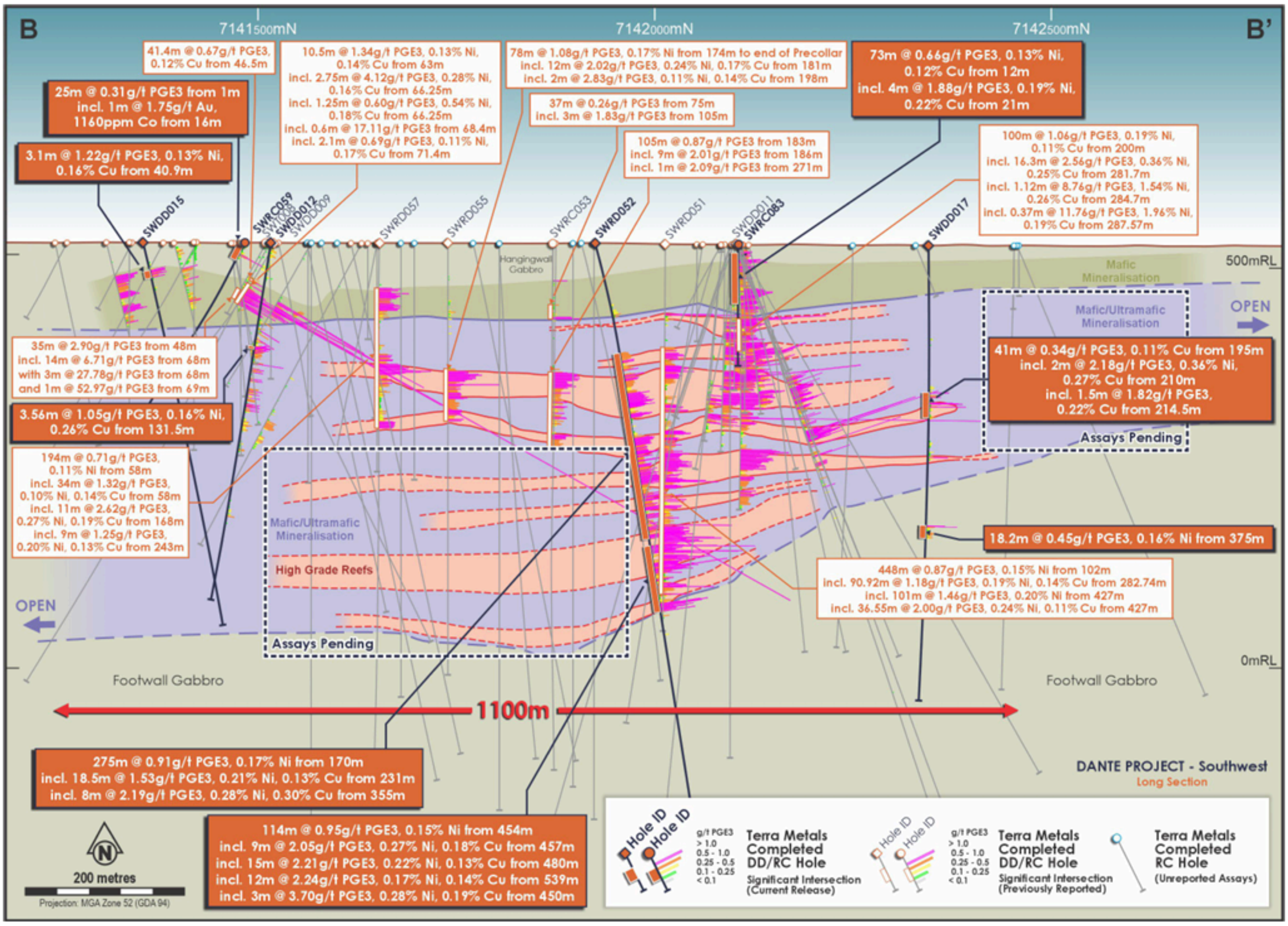
## 5. The system reaches surface across much of its length

The thick, shallow nature of Southwest is one of its defining features relative to most global PGE systems which are typically deeper, narrow systems. Having mineralisation start at or near surface avoids the need for a major pre-strip, reducing capital intensity, boosting economics. Drilling has continued to highlight the near surface nature of Southwest.

- SWRC064 intersected 157m @ 0.73g/t PGE3, 0.16% Ni from 5m, including a near-surface zone of 18m @ 0.97g/t PGE3 from 7m.
- SWRC083 returned 73m @ 0.66g/t PGE3, 0.13% Ni, 0.12% Cu from 12m across and supported the interpretation of a shallow westerly dip.
- SWRC063 intersected 150m @ 0.86g/t PGE3 from 54m.

Together with SWRD051 and SWRD052, which both begin at 102m and 170m respectively and then run for ~400m, these results validate TM1's view of a low-strip open pit transitioning into a very large system at depth.

**Figure 3: Southwest long section showing shallow mineralisation across the deposit**




*Source: TM1*

## 6. Drilling has combined SW5 and SW6 into one larger system

TM1 commenced 2026 drilling with SW5 and SW6 considered separate discovery zones ~850m apart along strike. A number of holes have now tested the ground between SW5 and SW6, with results showing that the mineralisation remains continuous and the two discoveries are essentially part of one system. The infill holes that demonstrated this include:

- SWRD057 with 194m @ 0.71g/t PGE3, 0.11% Ni from 58m,
- SWRC053 with 105m @ 0.87g/t PGE3 from 183m, and
- SWRD052 with 76m @ 0.87g/t PGE3, 0.16% Ni from 170m.

All three of these holes have ended in mineralisation. Given the continuous mineralisation, TM1 has simplified Southwest reporting to now refer to a single Main Sulfide Corridor with an 1100m strike length.

## Next Steps - The assay pipeline will continue

TM1 has reported that more than 52,000m of diamond and RC drilling has been completed at Southwest. Of this 22,612m has been reported, while five rigs continue to operate. TM1 has guided to further assay results from diamond tails along the Main Sulfide Corridor for the remainder of the calendar year, with tails now completed to depths of up to 918m. Ground and downhole EM surveys continue to generate high-conductance anomalies that may represent massive sulfide accumulations, several of which have been identified since the program began in March and are yet to be drill tested.

Heritage surveys have also now been completed over a substantial new area at Southwest and drilling within the newly cleared ground has commenced. This will enable grid spaced drilling to support the maiden Southwest Resource likely in 2027. This will ensure TM1 can incorporate the entire drill program into its estimate. We note that the 52,000m scale of the Phase 4 program completed to date is already larger than the planned 30,000m, with the growing scale of Southwest supporting the larger program. The Resource will then underpin commencement of studies in 2027.

**Figure 4: Consolidated drilling results**

| Hole | Primary Intervals | Sub-Intervals |
|---|---|---|
| SWDD009 | 39.5m @ 0.70g/t PGE3, 0.12% Cu from 49m | 3.8m @ 3.12g/t PGE3, 0.23% Ni from 65.2m<br>0.6m @ 17.11g/t PGE3 from 68.4m |
| SWDD011 | 100m @ 1.06g/t PGE3, 0.11% Cu, 0.19% Ni from 200m<br>24.3m @ 0.52g/t PGE3 from 313.7m | 16.3m @ 2.56g/t PGE3, 0.36% Ni from 281.7m<br>1.1m @ 8.76g/t PGE3, 1.54% Ni from 284.7m |
| SWRD051 | 448m @ 0.87g/t PGE3, 0.15% Ni, 0.08% Cu from 102m | 90.9m @ 1.18g/t PGE3 from 282.7m; 101m @ 1.46g/t PGE3 from 427m incl 36.6m @ 2.00g/t PGE3 |
| SWRD052 | 275m @ 0.91g/t PGE3, 0.17% Ni from 170m<br>114m @ 0.95g/t PGE3, 0.15% Ni from 454m | 18.5m @ 1.53g/t from 231m<br>8m @ 2.19g/t, 0.30% Cu from 355m<br>15m @ 2.21g/t from 480m<br>12m @ 2.24g/t from 539m |
| SWRC053 | 105m @ 0.87g/t PGE3 from 183m to EOH (288m) | 22m @ 1.67g/t PGE3 from 184m; 9m @ 2.01g/t PGE3 from 186m |
| SWRD055 | 78m @ 1.08g/t PGE3, 0.17% Ni, 0.09% Cu from 174m to EOH (252m) | 12m @ 2.02g/t PGE3, 0.24% Ni from 181m<br>2m @ 2.83g/t PGE3 from 198m |
| SWRD057 | 194m @ 0.71g/t PGE3, 0.11% Ni from 58m to EOH (252m) | 34m @ 1.32g/t from 58m<br>11m @ 2.62g/t, 0.27% Ni from 168m<br>9m @ 1.25g/t from 243m |
| SWRC059 | 3m @ 0.83g/t Au, 0.21g/t Pt, 0.21g/t Pd, 862ppm Co from 15m | 1m @ 1.75g/t Au, 1,160ppm Co from 16m |
| SWRC061 | 71m @ 0.71g/t PGE3, 0.15% Ni from 126m | 11m @ 1.48g/t PGE3, 0.22% Ni, 0.13% Cu from 145m |
| SWRC062 | 80m @ 1.08g/t PGE3, 0.16% Ni, 0.11% Cu from 180m<br>40m @ 0.90g/t PGE3, 0.16% Ni from 110m | 47m @ 1.35g/t from 182m<br>7m @ 2.04g/t PGE3, 0.23% Cu from 213m |
| SWRC063 | 150m @ 0.86g/t PGE3, 0.15% Ni, 0.10% Cu from 54m to EOH (204m) | 33m @ 1.25g/t from 64m<br>47m @ 1.05g/t from 141m |
| SWRC064 | 157m @ 0.73g/t PGE3, 0.16% Ni from 5m | 18m @ 0.97g/t from 7m<br>50m @ 1.27g/t, 0.19% Ni from 74m<br>3m @ 5.05g/t, 0.62% Ni from 110m |
| SWDD017 | 41m @ 0.34g/t PGE3, 0.09% Ni, 0.11% Cu from 195m | 2m @ 2.18g/t PGE3, 0.36% Ni, 0.27% Cu from 210m |
| SWRC083 | 73m @ 0.66g/t PGE3, 0.13% Ni, 0.12% Cu from 12m | 4m @ 1.88g/t PGE3, 0.19% Ni, 0.22% Cu from 21m |

*Source: TM1, MST*

# Valuation: $1.05 (unchanged)

We retain our valuation of A$1.05 per share. Our approach applies peer group EV/oz multiples to both the Dante Reefs Resource and to an estimate of potential mineralisation at Southwest. For Southwest we assumed a volume of 193Mm³, derived from an 850m x 650m area to 350m depth, a specific gravity of 3.2t/m³ giving approximately 600Mt, a grade of 1.25g/t Au-equivalent for approximately 25Moz Au-eq, an EV/oz of A$50/oz reflecting a premium to explorer and developer peers, and a 75% risk weighting (for full details on our valuation rationale and approach see our initiation here). Drilling has now expanded the dimensions of Southwest, however, we will continue to position our valuation conservatively at the initially estimated scale.

**Figure 5: TM1 valuation**

| Valuation | | A$m | A$ps |
|---|---|---|---|
| **Southwest** | | | |
| Assumed Resource (Au Equiv Moz) | 24.9 | | |
| EV/Oz Au Equiv (A$/oz) | 50.0 | | |
| Southwest Valuation (100%, A$m) | | $1,244 | |
| Risk weighting | 75% | | |
| **Southwest Risk Weighted Valuation** | | **$933** | **0.81** |
| **Dante Reefs** | | | |
| Resource (Au Equiv Moz) | 4.7 | | |
| EV/Oz Au Equiv (A$/oz) | 40.0 | | |
| **Dante Reefs Valuation (100%, A$m)** | | **$187** | **0.16** |
| **Total Asset Value** | | **$1,120** | **0.98** |
| Add: Cash from Options in FD shares on issue | | **$7** | 0.01 |
| Add: Net Cash (as at 31 December 2026) | | **$63** | 0.05 |
| **TM1 Equity Valuation - Diluted** | | **$1,190** | **1.05** |
| Current shares outstanding (m) | 1031 | | |
| Outstanding options/perf rights (m) | 114 | | |
| **Fully diluted shares on issue (m)** | **1145** | | |

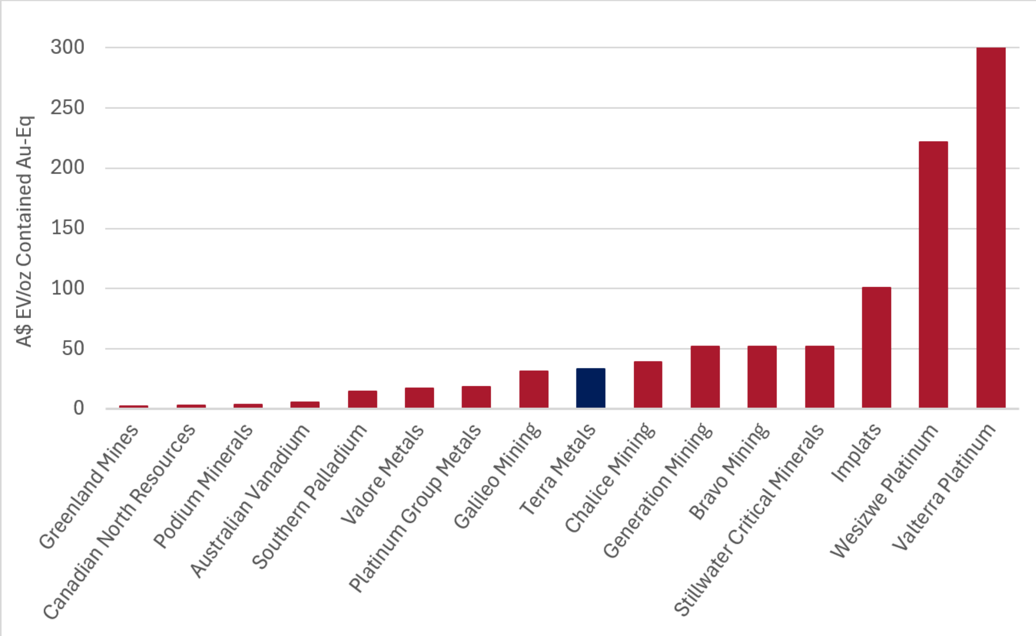
*Source: MST*

## Peer Comparisons

In our peer comparisons charts below, we have re-estimated Resource in gold equivalent terms. We include one name (AVL.ASX) for its relevance for titanium-vanadium deposits but note this deposit lacks PGMs. We include a range of explorers and developers and two producers (Impala and Valterra). The elevated multiples these names trade on highlight the premium placed on producers in this space. Moving from explorer to producer is rare in PGMs. This reflects the relative scarcity of economic deposits in the space, with global production dominated by large scale producers operating out of only four complexes (South Africa's Bushveld, Zimbabwe's Great Dyke, Norilsk-Talnakh in Russia, and Stillwater in the US).

We note our TM1 metrics in Figure 6 below are based only on the existing Dante Reefs Resource, i.e. Southwest is completely excluded. This further highlights the relative discount TM1 is trading on.

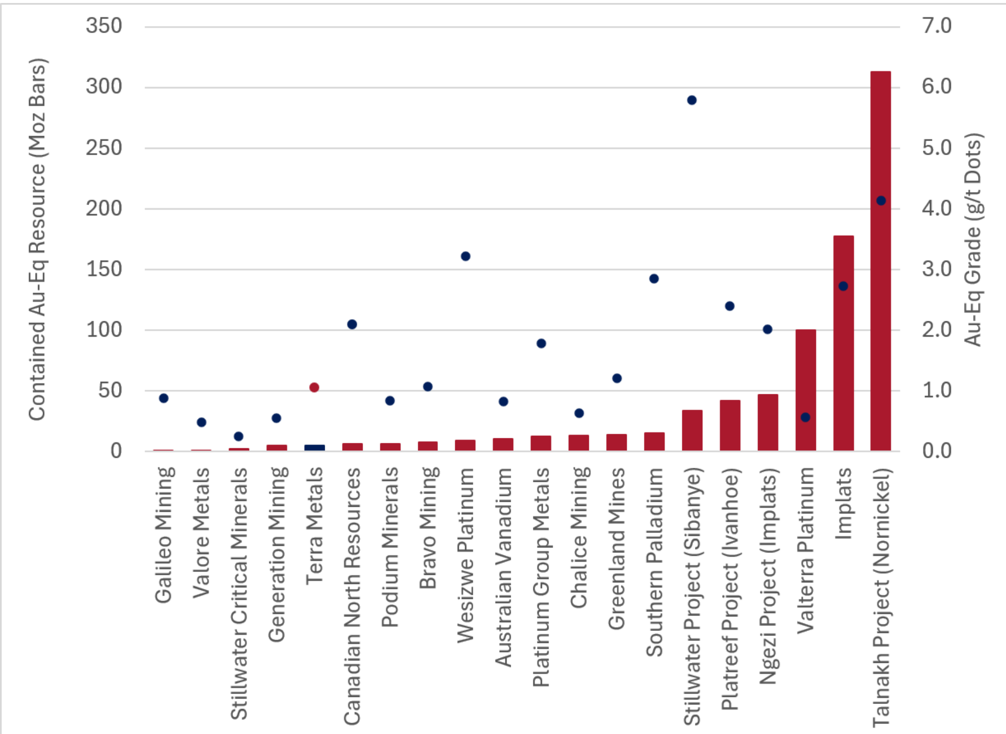
**Figure 6: EV/oz Peer Comparison**




*Source: MST*

Below we highlight contained metal and grade (in Au-eq terms) of PGM companies (we also split Sibanye's Stillwater operation, Nornickel's Talnakh operations, Ivanhoe's Platreef Project, and the Implats' Zimbabwe-based Ngezi operation out as standalone assets). The chart shows the dominant position of assets located in those key global complexes. It also shows the variability in grade across projects. This shows that a number of factors can drive success beyond only grade, while some projects are high grade, others are much lower grade but have significantly greater scale. Notably, the Dante Reefs Resource, while early in terms of its scale, already shows a Au-eq grade that compares favourably with developments in the space. There are rare global stand-outs that have both grade and scale. We believe that Southwest has potential to move towards being such a project. Based on our preliminary estimate of a 25Moz Au-equivalent deposit at Southwest, TM1 has potential to sit at the upper end of scale relative to peers, with only a handful of global peers being larger than this.

**Figure 7: Global PGM companies and key assets - Contained metal and grade (Au-eq)**




*Source: MST*

## Key Catalysts

- **Drilling results (through 2026)**: TM1 commenced its largest-ever drilling campaign in March 2026, targeting up to 30,000m of drilling across Dante and Southwest under its Phase 4 drilling campaign. The program will test expansions of Southwest, as well as infill the Dante Resource and include reconnaissance holes at new targets. The first results to watch for will be assays from SWDD011, which has already returned visual sulphides. These assays are anticipated around early June.
- **Southwest geophysics and target generation (2026):** Ongoing release of results from Downhole Electromagnetic (DHEM) surveys. DHEM has proven highly effective in identifying new off-hole massive sulphide conductors associated with the feeder pipe.
- **Dante Resource update and metallurgical optimisation (H2-2026):** A Resource update incorporating the Phase 3 drilling at Dante Reefs is anticipated mid-year. Further metallurgical test work will also provide optimised flow rates, final concentrate recovery data, and confirm reagent consumption data for the integrated processing circuit.
- **Maiden Southwest Resource (2027):** The publication of a maiden Mineral Resource Estimate encompassing is likely to come in 2027 ensuring TM1 is able to complete and incorporate its larger than originally anticipated drilling program (52,000m complete vs Phase 4 target of 30,000m, with the scale of Southwest continuing to build supporting the larger program).
- **Commence economic studies (2027):** Following the integration of the Southwest MRE and further metallurgical testing, the commencement of a feasibility study is anticipated. These studies will outline the operational parameters, capital expenditure requirements, and financial metrics of the operation. It is likely to assess whether Dante Reefs and Southwest are best developed on an integrated basis or standalone. The work is likely to be completed in 2027.

## Key Risks

- **Exploration risk:** While visual intercepts and initial assays at the Southwest Prospect are extraordinary, drilling is still at an expansion and definition phase. As with all explorers there is inherent risk in delivering an orebody, however, results to date appear highly likely to underpin an attractive development prospect.
- **Metallurgy:** The ability to cleanly separate Ti, V, and Cu-Au-PGMs at a bench scale has been proven at Dante. However, scaling multi-stage separation processes (LIMS, WHIMS, flotation) into a continuous commercial flow sheet involves typical engineering risks. Metallurgical testing at Southwest is yet to have been carried out, so this also carries some risk, although given the nature of the deposits we see this risk as minor with conventional approaches likely to succeed.
- **Commodity prices:** The economic viability of the broader Dante Project relies on a basket of commodities (PGMs, copper, titanium, vanadium). The markets for these metals are cyclical, influenced by global industrial output, automotive catalyst demand, and geopolitical trade policies. In TM1's favour, the polymetallic nature of the Dante deposits acts as a natural hedge, reducing exposure to a downturn in any single commodity.
- **Permitting and development timelines:** Advancing a large-scale, multi-pit mining operation in Western Australia requires extensive environmental, heritage, and regulatory approvals. While the Company operates with a signed Native Title Agreement covering exploration, the permitting process has inherent uncertainty which can extend project development timelines.
- **Funding:** While short and medium term funding is well taken care of given the balance sheet strength, the Dante projects will require larger scale capital to develop. If Southwest proves to be the stand-out development we anticipate, we see securing capital for the project as relatively low risk, but nevertheless, there is always an element of risk around securing such capital.

# Personal disclosures

Chris Drew received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

# Company disclosures

The companies and securities mentioned in this report, include:

Terra Metals Ltd (TM1.AX) | Price A$0.24 | Valuation A$1.05;

Price and valuation as at 24 August 2026 (* not covered)

# Additional disclosures

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Terra Metals Ltd (TM1.AX)

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Terra Metals (TM1.AX)

# Other disclosures, disclaimers and certificates

# Methodology & Disclosures

MST Access is a registered business name of MST Financial Services Limited (ABN 54 617 475 180 “MST Financial Services”), which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (AFSL 500 557). This research is issued in Australia through MST Access, which is the research division of MST Financial Services. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a financial product you should read any relevant Product Disclosure Statement or like instrument.

**ECM and corporate advisory services:** MST Financial Services provides equity capital markets (“ECM”) and corporate advisory services through its capital markets division, MST Capital Markets (“MST Capital”). MST Capital provides these services to a range of companies including clients of MST Access. As such, MST Capital may in the future provide ECM and/or corporate advisory services and, accordingly, may receive fees from providing such services. However, MST Financial Services has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, nor any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital or any other division of MST Financial Services.

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

**Exclusion of liability:** To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financial Services’ officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

# General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST Access encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer’s securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST Financial Services to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST Financial Services’ discretion.

# Access & Use

Any access to or use of MST Access Research is subject to the Terms and Conditions of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST Financial Services collecting and using your personal data (including cookies) in accordance with our Privacy Policy, including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST Financial Services’ use of your personal data, please do not access this service.