A World-Class Discovery Driving a District-Scale Rerate

Metals & Mining

We are revising our target price for Terra Metals (ASX: TM1) to A$0.84, implying 205% upside from the current A$0.28 share price and marking an uplift from our October 2025 report. Terra is advancing the district-scale Dante Project, where a higher-grade Southwest PGM-Cu-Ni sulphide discovery is now complementing the substantial near-surface Dante Reefs MRE. Since our last update, three milestones have materially strengthened the Southwest case: the January 2026 high-grade PGM discovery, including the standout 52.97g/t PGE3 intercept; the April 2026 SW6 continuity result; and the February 2026 A$85m institutional placement, which materially improved funding capacity. Together, these developments support the view that Southwest could become a significant resource-scale opportunity if further drilling confirms continuity, geometry and grade distribution. Further drilling, resource definition and technical milestones should progressively reduce risk and support valuation uplift.

Southwest Discovery Confirms High-Grade Sulphide Potential

In January 2026, TM1 reported a significant PGM discovery at SW5. The standout hole, SWT008, returned 35m at 2.90g/t PGE3 from 48 metres, including 14m at 6.71g/t and 3m at 27.78g/t, with peak grades reaching 1m at 52.97g/t PGE3. Subsequent PGE7 re-assays upgraded the peak interval to 54g/t PGE7, while confirming additional enrichment in rhodium, iridium and ruthenium. The hole ended in mineralisation, leaving the system open below the current drilling. These results distinguish Southwest from a simple extension of Dante Reefs and support the view that it could host higher-grade sulphide mineralisation with meaningful standalone value.

SW6 Continuity and Massive Sulphides Strengthen the Scale Case

The April 2026 SW6 results move Southwest beyond a single high-grade discovery hit and toward a broader scale opportunity. TM1 confirmed that SWRC031 and SWDD006 form a continuous 172.4m mineralised zone grading 1.11g/t PGE3, 0.11% Cu and 0.15% Ni to the end of the hole, including 61.0m at 1.41g/t PGE3, 25.2m at 2.28g/t PGE3 and 0.3m at 31.11g/t PGE3. These results show that Southwest combines high-grade zones with broad mineralised widths, which is critical for resource definition. Together with prior evidence of mineralisation across at least 650m width, 850m strike and 348m depth, the latest drilling supports the interpretation of Southwest as a coherent, scalable PGM-Cu-Ni sulphide system rather than a collection of isolated intercepts.

A$85m Raise Accelerates Southwest Drilling and De-Risks Execution

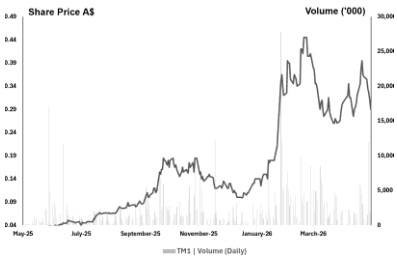
In February 2026, TM1 announced an A$85m institutional placement backed by Soul Pattinson, Golden Energy and Resources, Tribeca and management, comprising an initial tranche and a second tranche expected in May 2026, subject to shareholder approval. This funding is particularly important for Southwest because it gives Terra the balance sheet capacity to accelerate drilling, test extensions, improve geological confidence and progress toward maiden resource definition. With A$66m in cash, the company is positioned to deliver its 30,000m Phase 4 drilling program, target a maiden Southwest MRE in H2 2026, and progress toward a PFS in 2027. This reduces near-term financing risk and increases confidence that Southwest can be advanced systematically.

Stock Rerating Driven by Discovery Quality, Continuity and Funding

Following recent milestones, we value TM1 at $0.68 in our base case (149% upside) and $0.99 in our bull case (261% upside), relative to the current share price of $0.28. Using the midpoint of these scenarios, our **target price of $0.84** implies a potential upside of **205%**. The rerating is primarily driven by Southwest's emergence as a high-grade, potentially resource-scale discovery alongside Dante Reefs. Our valuation remains anchored in the existing Dante Reefs MRE. It only partially recognises Southwest, with further high-grade results, broader extensions, district targets, maiden resource definition and metallurgical validation offering additional valuation upside.

Date	6 May 2026
Current Price (A$)	0.28
Target Price (A$)	0.84
Market Cap (A$m)	277.16
52-week H/L (A$)	0.470/0.021
Free Float (%)	63.44%
Bloomberg	TM1 AU
Reuters	TM1.AX

Price Performance (in A$)



Source Capital IQ

Business description

Terra Metals Limited (ASX: TM1) is a Western Australian critical minerals explorer advancing its 100%-owned Dante Project in the West Musgrave region. Dante is emerging as a district-scale polymetallic platform with exposure to titanium, vanadium, copper, gold and platinum-group metals across multiple mineralised zones. A key focus is the high-grade SouthWest Prospect, which appears positioned to become a major driver of future value as exploration expands its oxide and sulphide potential. Terra is focused on defining scalable resources in a tier-one jurisdiction.

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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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Executive Summary

Terra Metals (ASX: TM1) owns 100% of the Dante Project in the West Musgrave region of Western Australia, a district-scale polymetallic system with two distinct and complementary value drivers. Dante Reefs provides an independently defined, near-surface resource of 148Mt across titanium, vanadium, copper and PGMs, establishing the project's scale and technical credibility. Southwest is an emerging high-grade PGM-Cu-Ni sulphide discovery that introduces a materially different and potentially higher-value style of mineralisation alongside the existing resource base.

The investment case has broadened materially since Southwest's January 2026 discovery. Three milestones have compounded in quick succession: high-grade mineralisation at SW5, scale and continuity confirmed at SW6, and an A$85m institutional placement that funds the programme through to maiden resource definition. Together, these developments position TM1 at a rare inflection point: a funded explorer with a defined resource base, an emerging high-grade discovery and the geological footprint to support a multi-year discovery pipeline.

1. Discovery Quality: Southwest Has Returned Genuinely Significant Hard-Rock PGM Grades

Southwest's results are significant by global hard-rock PGM standards, not merely by comparison to Dante Reefs. The standout discovery hole, SWT008, returned 35 metres at 2.90g/t PGE3 from 48 metres, a meaningful width at a grade competitive with emerging magmatic sulphide discoveries worldwide. Higher-grade zones within that interval include 14 metres at 6.71g/t and 3 metres at 27.78g/t, with peak assays reaching 54g/t PGE7 on re-assay. That re-assay also confirmed enrichment in rhodium, iridium, osmium, and ruthenium, important indicators of system quality discussed further below. Critically, the hole ended in mineralisation before reaching the planned depth, leaving the system open.

Follow-up drilling has since extended Southwest to approximately 850 metres of strike length, 650 metres in width, and at least 348 metres in depth. A separate zone, SW6, returned a continuous 172.4 metre mineralised interval in April 2026, grading 1.11g/t PGE3, 0.11% copper and 0.15% nickel. Two spatially distinct zones now returning consistent mineralisation are what convert a discovery hole into a system-scale opportunity.

2. Geological Repeatability: Southwest Belongs to the Same Class of System as the World's Greatest PGM Deposits

Southwest is interpreted as a feeder-related primary magmatic sulphide system, a specific geological setting in which metal-rich sulphide liquids migrate through conduit pathways within a large, layered intrusion, concentrating PGMs, copper, and nickel at high grades. To understand why this matters commercially, it helps to know which other deposits share this origin.

The world's most economically significant PGM and base metal deposits are all primary magmatic sulphide systems:

- **Norilsk-Talnakh, Russia**: the world's largest nickel and palladium reserve, is hosted within the Siberian Traps intrusive complex. Norilsk Nickel carries a market capitalisation exceeding US$20 billion.
- **Sudbury Basin, Canada**: a multi-billion-tonne province hosting over 40 individual Ni-Cu-PGE deposits, contributing to Glencore's US$60 billion enterprise value.

- **Platreef, South Africa**: a feeder-proximal PGM-Ni-Cu system in the northern Bushveld Complex, being developed by Ivanhoe Mines at a market capitalisation exceeding US$10 billion.

Southwest is in the discovery stage, and direct scale comparisons with any of these systems are premature. What is not premature is recognising that Southwest's confirmed characteristics, primary sulphide host rock, massive sulphide intervals, feeder-pipe geometry, and iridium-group PGE enrichment, are the same defining features shared by each of these deposits. That is the geological class that has produced the world's most valuable PGM mines.

The feeder model also carries an important implication for exploration: these conduit zones typically recur at multiple points within large intrusive systems. Management has identified at least 11 PGM-copper reef horizons across Dante, and structural mapping points to additional conduit-style targets. Southwest is not just a discovery; it is a geological template for what may follow.

3. District Optionality: Southwest Unlocks a Much Larger Exploration Opportunity

The Dante Project covers more than 1,200 square kilometres and over 200 kilometres of the Jameson Layered Intrusion. The current resource covers approximately 12.6 kilometres of drilled strike, less than 10% of the mapped mineralised trend. Southwest has been drilled over less than one kilometre. The vast majority of the system has never had a drill hole.

Before Southwest, Dante's scale was a geological observation. Now it is an exploration thesis. Southwest has demonstrated that the Jameson system can host primary magmatic sulphide mineralisation at high grades, giving management a proven discovery model to test across a large inventory of untested targets. Some of these targets are described in company materials as potentially having a larger footprint than Southwest itself.

External validation also exists at the district level. BHP's Nebo-Babel nickel-copper-PGE development sits approximately 15 kilometres to the south within the same regional geological setting, evidence that major mining capital has already identified and committed to the broader Giles Complex. For TM1, Phase 4 drilling is not simply a Southwest follow-up programme; it is the opening phase of what could become a district-scale campaign across substantially underexplored ground.

4. Resource Foundation: Dante Reefs Provides Scale, Confidence and Technical Credibility

Southwest carries exploration risk by definition; it does not yet have a JORC resource, and its ultimate scale remains to be established. Dante Reefs is what ensures TM1's investment case does not rest entirely on that outcome.

The current MRE of 148 Mt at 14.8% TiO_2, 0.54% V_2O_5, 0.18% Cu, and 0.33g/t PGE3, equivalent to 1.38% CuEq, is a formally defined, independently verified inventory of meaningful scale. In contained metal terms: approximately 22Mt TiO_2, 800kt V_2O_5, 270kt copper and 1.6Moz PGE3. The indicated component of 38 Mt at 1.87% CuEq provides a higher-confidence core that is already appropriate for early economic assessment.

This existing resource sets a valuation floor. If Southwest drilling disappoints, Dante Reefs still represents a large, near-surface, multi-commodity system with confirmed metallurgy in a tier-one jurisdiction. Southwest provides the upside; Dante Reefs limits the downside. That structure, defined by a base asset plus high-grade discovery optionality, is materially less risky than a pure exploration story.

5. De-risking: Proven Metallurgy and Institutional Backing Strengthen the Execution Case

The pathway from discovery to delineation is supported by both technical validation and balance sheet strength. Terra's 2025 metallurgical programme confirmed that Dante Reefs material can produce three distinct concentrate streams: titanium-ilmenite, vanadium-magnetite, and copper-precious metals sulphide, with recoveries of 95.8% copper and 75.8% gold, and no deleterious elements identified in the sulphide product. This reduces processing uncertainty across the broader Dante system and underpins technical credibility at a stage when many peers lack equivalent test work.

That technical progress is matched by a strong balance sheet supporting the financial capacity. TM1's February 2026 A$85m placement, comprising an initial tranche and a second tranche expected in May 2026, subject to shareholder approval, was backed by GEAR, Tribeca, Soul Pattinson and management. The raise supports follow-up drilling, resource definition and early economic studies at Southwest, reducing near-term financing pressure and strengthening TM1's ability to execute systematically.

These factors support a target price of $0.84

Under our sum-of-parts valuation, we apply peer-based EV/contained metal multiples to the TiO_2 and V_2O_5 streams at Dante Reefs, a value-factor approach to the Cu-Au-Pt-Pd sulphide stream, and risk-weighted conceptual value to the Southwest oxide and Southwest sulphide opportunities. On this basis, we derive a fair value range of A$0.68 to A$0.99 per share, implying 149% to 261% upside from the last close. This valuation is anchored in the current Dante Reefs MRE and early metallurgical results, while assigning only partial value to Southwest given its pre-resource status and remaining uncertainty around geometry, continuity, and metallurgy. It excludes further upside from broader district targets and from additional Southwest-style discoveries not captured in the model.

Catalysts: Phase 4 Southwest drilling, further evidence of continuity and scale across SW1-SW6, an upgraded Dante Reefs MRE, a maiden Southwest MRE, and ongoing metallurgical work.
Risks: commodity price volatility, Southwest continuity and geometry risk, metallurgical risk at Southwest, funding and dilution risk, and execution risk as the project advances from discovery into resource definition and early studies.

Project Overview

Terra Metals is focused on its flagship Dante Project in Western Australia, which is receiving the company's exploration focus, technical work and capital allocation. Dante is the core driver of TM1's investment case, with Southwest representing the standout near-term growth prospect. Growing evidence of PGE-copper-nickel sulphide potential at Southwest has materially strengthened the company's discovery profile, positioning Terra as a focused Western Australian critical minerals explorer with significant multi-commodity upside. Terra also holds the non-core Onslow Copper-Gold Project, which is considered available for sale and is not included in our valuation.

Dante Project

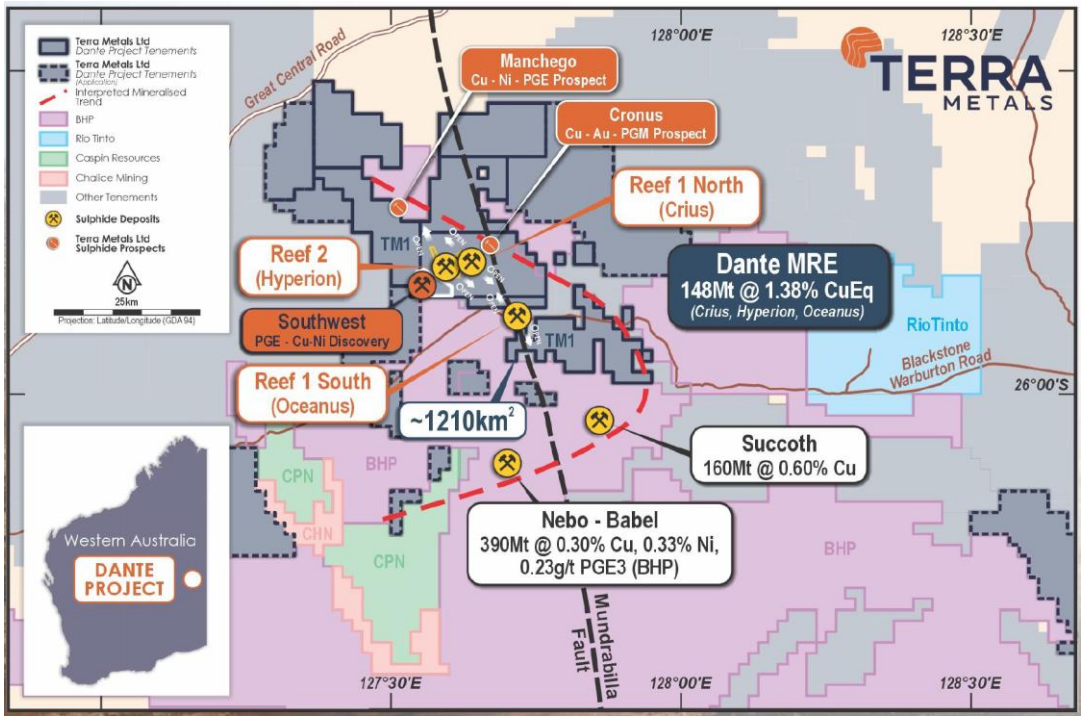
Location, Ownership and Strategic Setting

Terra Metals wholly owns the Dante Project and covers more than 1,200 square kilometres within the Jameson Layered Intrusion, part of the broader Giles Complex in the West Musgrave region of Western Australia. The project provides exposure to more than 200 kilometres of prospective intrusive stratigraphy, while recent tenement acquisitions have extended mapped reef strike potential to more than 80 kilometres.

This gives Dante a meaningful scale for both resource growth and discovery. The project is also strategically positioned within a proven mineralised district. Dante lies approximately 15 kilometres north of BHP's Nebo-Babel nickel-copper-gold-PGE development. While this does not validate Dante economically, it does provide relevant third-party support for the prospectivity of the broader geological setting. It demonstrates that major mining capital can be deployed in the region.

For a remote exploration asset, Dante also benefits from practical logistical advantages. The tenure includes an on-tenement airstrip, previously used by BHP to service the West Musgrave district, and an established camp. These assets support faster mobilisation, reduce operational friction, and improve the efficiency of sustained drilling programs.

Figure 1: Dante Project tenure location, shown over the West Musgrave Region geology map.



Source: Company

Dante Reefs: The Established Resource Base

Dante Reefs is the established resource foundation of the Dante Project. The August 2025 JORC 2012 Mineral Resource Estimate defines a substantial near-surface polymetallic resource across the Crius, Hyperion and Oceanus deposits. This is important because it shows Terra has moved beyond early-stage exploration and now holds an independently assessed mineral inventory that can be analysed, benchmarked and valued using conventional resource metrics.

The total resource stands at 148 Mt at 14.8% TiO_2, 0.54% V_2O_5, 0.18% copper, and 0.33g/t PGE3, equivalent to 1.38% CuEq. In contained metal terms, this equates to approximately 22 Mt TiO_2, 800kt V_2O_5, 270kt copper and 1.6 Moz PGE3, giving Dante Reefs both scale and commodity diversity.

Figure 2: Dante Reefs Mineral Resource Estimate - Grade (August 2025, JORC 2012)

Category	Tonnage (Mt)	TiO_2 (%)	V_2O_5 (%)	Cu (%)	PGE3 (g/t)	Au (g/t)	Pt (g/t)	Pd (g/t)	CuEq (%)
Indicated	38	18.4	0.73	0.23	0.72	0.16	0.41	0.14	1.87
Inferred	110	13.5	0.47	0.16	0.21	0.06	0.11	0.04	1.21
Total	**148**	**14.8**	**0.54**	**0.18**	**0.33**	**0.08**	**0.18**	**0.07**	**1.38**

Source: Company and East Coast Research

Figure 3: Dante Reefs Mineral Resource Estimate - Contained Metal (August 2025, JORC 2012)

Category	Tonnage (Mt)	TiO_2 (Mt)	V_2O_5 (kt)	Cu (kt)	PGE3 (koz)	Au (koz)	Pt (koz)	Pd (koz)
Indicated	38	7.0	280	90	870	200	500	180
Inferred	110	15	520	180	730	200	380	150
Total	**148**	**22**	**800**	**270**	**1,600**	**400**	**880**	**330**

Source: Company and East Coast Research

The 38 Mt indicated component, grading 18.4% TiO_2, 0.73% V_2O_5, 0.23% copper and 0.72g/t PGE3, equivalent to 1.87% CuEq, provides a higher-confidence core within the broader resource. Indicated resources carry greater geological confidence than inferred resources, making them more useful for future technical and economic studies.

Dante Reefs also appears to represent only a small part of the broader mineralised system. The current resource covers less than 10% of the mapped reef horizon across the tenure. While this is based on geological mapping rather than full drill coverage, it supports a strong, credible pathway for future resource growth.

The geometry of the deposit further strengthens the technical case. Mineralisation begins at the surface, dips shallowly to the southwest and occurs within stacked Upper and Basal Reef horizons. Across the current MRE deposits, mineralisation extends to modelled depths of approximately 240 to 285 metres. Subsequent drilling at Crius and Hyperion has also supported the interpretation of a laterally continuous reef system, with thick mineralisation from surface and scope for further growth.

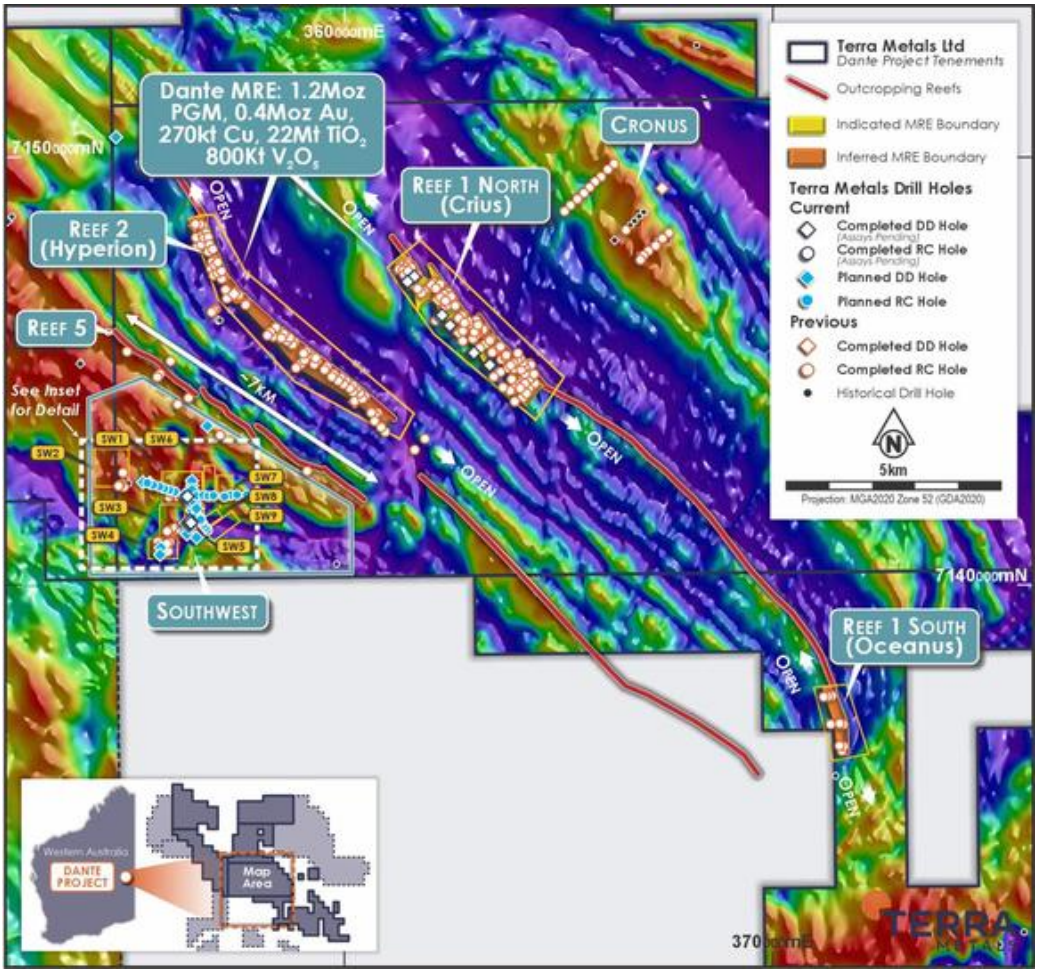
Overall, Dante Reefs gives the project a clear technical substance before any additional value is assigned to Southwest. It provides scale, resource confidence, continuity and favourable near-surface geometry. These features may support future shallow bulk-mining concepts, subject to further work on strip ratio, metallurgy and project economics.

Southwest Prospect: Discovery-Led Growth and Quality Uplift

Southwest is the principal growth discovery within the broader Dante Project and is analytically distinct from the established Dante Reefs resource base. While Dante Reefs provides Terra Metals with a large, near-surface titanium-vanadium-copper-PGM resource delivering resource scale and commercial substance, Southwest introduces a separate, higher-grade PGM-copper-nickel sulphide system that may ultimately prove to be the higher-value component of the overall project. The Southwest is interpreted as a feeder-related or conduit-proximal part of the Jameson Layered Intrusion. In this environment, repeated pulses of metal-bearing magma, combined with sulphur saturation, can concentrate PGMs, copper and nickel at materially higher grades than the broader reef-hosted system. Meaning, Southwest is the part of Dante that most clearly enhances TM1's value and is driving the current exploration program.

Southwest is located approximately five kilometres west of the central Dante MRE footprint, within a 12-square-kilometre prospect area. Drilling has tested multiple target centres, SW1, SW3, SW4, SW5 and SW6, with the most significant sulphide results to date from SW5 and SW6. Southwest is not a single-hole or single-target story; the growing spread of mineralised intercepts across multiple zones already indicates a broader sulphide corridor with meaningful lateral and vertical extent.

Figure 4: Plan view of the Dante Project showing the Dante Reefs MRE (Crius, Hyperion, Oceanus) and the Southwest Prospect location.



Source: Company

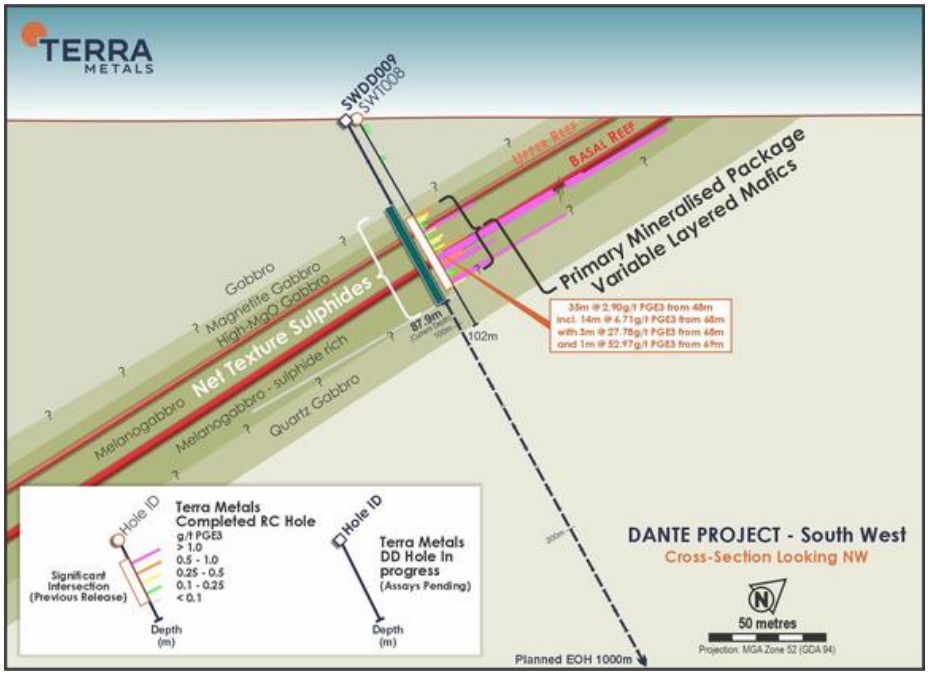
High-Grade Discovery: SW5 SWT008

The drill result that brought Southwest into focus was SWT008 at the SW5 target, announced in January 2026. The hole returned 35 metres at 2.90g/t PGE3 from 48 metres, a strong near-surface intercept for hard-rock PGM exploration. The key point is not just the overall grade, but the much higher-grade zones within the broader interval. The 35-metre intercept included 14 metres at 6.71g/t PGE3, 3 metres at 27.78g/t PGE3, and a peak interval of 1 metre at 52.97g/t PGE3 from 69 metres. On a broader PGE7 basis, which includes rhodium, iridium, osmium and ruthenium in addition to platinum, palladium and gold, the main interval graded 35 metres at 2.94g/t PGE7, with the best metre grading 54.00g/t PGE7. Meaning SWT008 confirmed a wide zone of near-surface PGM mineralisation, with several much richer sections within it. This internal grade structure is important because it suggests SW5 may contain more concentrated sulphide zones within the broader mineralised system.

Two features make the result particularly significant. First, the main intercept starts at only 48 metres depth, meaning the mineralisation is relatively shallow and easier to test than deeper PGM systems. Second, the hole was stopped at 102 metres, around 138 metres short of its planned depth, while mineralisation remained open below the discovery intercept. This means SWT008 did not fully test the system, leaving clear scope for further drilling.

Overall, SWT008 established SW5 as a high-grade discovery within the Southwest system, with shallow mineralisation, strong internal grades and unresolved depth potential.

Figure 5: Cross-section through the Southwest Prospect (SW5) showing RC drilling results from SWT008.



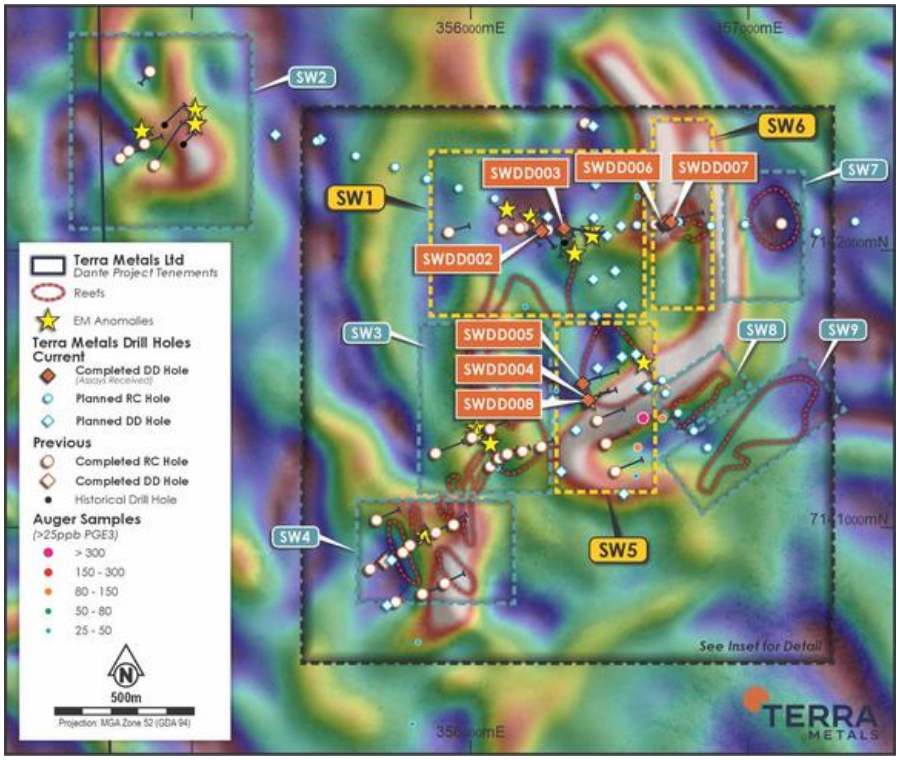
Source: Company

Local Continuity at SW5: SWT011

SWT011 is important because it confirms that the SW5 discovery is not based on a single high-grade drill hole. Although its headline grade was lower than SWT008, SWT011 still returned a broad intercept of 69 metres at 0.92g/t PGE3 from 48 metres, showing that PGM mineralisation continues within the same target area. The intercept included stronger internal zones of 32 metres at 1.19g/t PGE3, 0.12% copper and 0.10% nickel from 49 metres, and 7 metres at 1.64g/t PGE3, 0.16% copper and 0.15% nickel from 94 metres. This confirms a wide mineralised zone with higher-grade sections containing PGMs, copper and nickel.

This is significant because continuity distinguishes a one-off drill result from a potentially larger mineralised system. SWT008 established the high-grade discovery, while SWT011 shows that mineralisation extends nearby. The copper and nickel associated with the broader intercept also support the interpretation of a feeder-related magmatic sulphide system, rather than isolated PGM enrichment. (Figure 6) reinforces this point by showing SW5 within a broader Southwest target corridor that contains multiple targets, drill holes, EM anomalies, reef trends, and auger geochemistry. This visual context supports the view that SW5 is part of a wider mineralised corridor that remains under active exploration, rather than an isolated point target.

Figure 6: Plan view of the Southwest Prospect showing target zones SW1–SW9, drill hole traces and auger geochemistry.



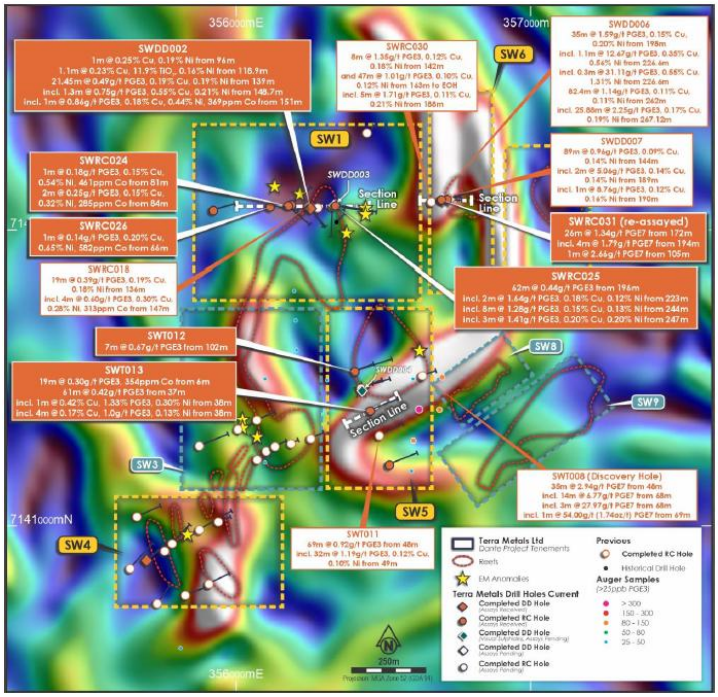
Source: Company

Broader System Continuity: SW6

If SW5 established the grade potential of Southwest, SW6 strengthens the case for continuity. As shown in (Figure 7) SW6 sits within the central Southwest corridor, alongside multiple mineralised targets, drill holes, EM anomalies and geochemical trends. This supports the interpretation that Southwest is not a single isolated discovery, but part of a broader PGM-copper-nickel sulphide system.

The key result is SWDD006, confirmed in April 2026, which returned 172.4 metres at 1.11g/t PGE3, 0.11% copper and 0.15% nickel from 172 metres to the end of hole, including 61.0 metres at 1.41g/t PGE3, 25.2 metres at 2.28g/t PGE3, and 0.3 metres at 31.11g/t PGE3, 0.55% copper and 1.31% nickel. Infill sampling between SWRC031 and SWDD006 confirmed this as one continuous mineralised zone, an important step toward potential resource definition. SWDD007 further supports the model, returning 89 metres at 0.96g/t PGE3 and 0.14% nickel. Together, these results show that SW6 is thick, continuous, internally higher-grade, and open to further growth.

Figure 7: Central Southwest Prospect showing SW1, SW5 and SW6 drill coverage and key assay results, highlighting SW6 within the broader expanding mineralised corridor.



Source: Company

System Extension and a Priority Deep Target: SW1

Drilling at SW1, the northernmost of the main Southwest target zones, shows that mineralisation extends beyond the initial SW5-SW6 corridor. The key intercept returned 62 metres at 0.44g/t PGE3 from 196 metres, including 8 metres at 1.28g/t PGE3 and 3 metres at 1.41g/t PGE3. While these grades are lower than those reported at SW5 and SW6, the result is important because it broadens the interpreted Southwest mineralised footprint to at least 850 metres of strike. It also creates a clear follow-up opportunity. Diamond hole SWDD003 is interpreted to have intersected only the upper edge of the same mineralised zone confirmed over 172.4 metres at SW6. This suggests that the thicker, potentially higher-grade part of the system may plunge below the current drilling at SW1. Meaning, SW1 is not yet the strongest-grade area at Southwest, but it shows the system extends north and provides a specific deeper target for the current drill program.

Figure 8: Southwest Prospect - Key Drilling Results

Target / Hole	Headline Intercept	Supporting Detail
SW5 / SWT008	35m @ 2.90g/t PGE3 from 48m	Incl. 14m @ 6.71g/t; 3m @ 27.78g/t; 1m @ 52.97g/t PGE3. Near-surface. Hole stopped 138m short of planned depth, ending in mineralisation.
SW5 / SWT008, PGE7	35m @ 2.94g/t PGE7 from 48m	Incl. 1m @ 54.00g/t (1.74 oz/t) PGE7. Full six-element suite confirms iridium-group PGM enrichment across SW5.
SW5 / SWT011	69m @ 0.92g/t PGE3 from 48m	Incl. 32m @ 1.19g/t, 0.12% Cu, 0.10% Ni; 7m @ 1.64g/t, 0.16% Cu, 0.15% Ni PGE3. Second SW5 hole confirms lateral continuity at SW5.
SW6 / SWDD006	172.4m @ 1.11g/t PGE3, 0.11% Cu, 0.15% Ni, to EOH	Incl. 61m @ 1.41g/t; 25.2m @ 2.28g/t; 0.3m @ 31.11g/t (1 oz/t) PGE3, 0.55% Cu, 1.31% Ni (massive sulphide). Most important result: 172m continuous to the end of the hole.
SW6 / SWDD007	89m @ 0.96g/t PGE3, 0.14% Ni from 144m	Incl. 9m @ 2.02g/t PGE3, 0.20% Cu, 0.30% Ni; 1m @ 8.76g/t PGE3. The third SW6 hole further extends the continuous mineralised corridor.
SW1 / SWDD003 + SWRC025	62m @ 0.44g/t PGE3 from 196m	Incl. 8m @ 1.28g/t; 3m @ 1.41g/t PGE3. SWDD003 interpreted to have clipped the upper edge of the SW6 high-grade zone, priority deeper target identified below SW1.

Source: Company, East Coast Research

Metallurgy and Product Pathway

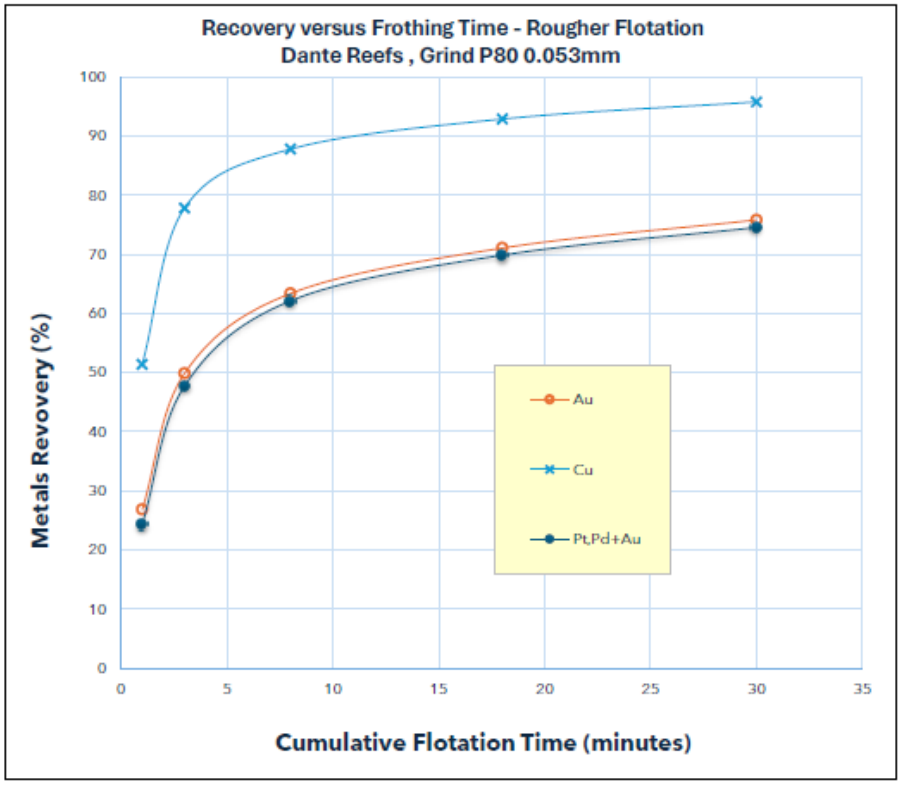
Metallurgy is a key technical risk for Dante because the project is polymetallic. Its value depends not only on the size and grade of the resource, but also on Terra's ability to recover multiple metals into saleable products through a practical processing route.

Terra has made encouraging early progress through its 2025 Phase 1 metallurgical programme on Dante Reefs material. Testwork completed at ALS Laboratories under the direction of Dr Evan Kirby indicated that the mineralisation could produce three separate concentrate streams: a copper-gold-PGM sulphide concentrate, a titanium-ilmenite concentrate and a vanadium-magnetite concentrate. The preliminary results were positive. Terra reported a 28.0% copper, 17g/t gold, and 21.4g/t PGM sulphide concentrate, a 40% TiO_2 titanium-ilmenite concentrate, and a 1.81% V_2O_5 vanadium-magnetite concentrate. Reported recoveries were also strong, including 95.8% copper, 75.8% gold, 74.4% PGM, 90.9% V_2O_5 and 65.6% TiO_2. Importantly, Terra reported no deleterious elements in the sulphide concentrate, which may support future marketability and reduce the risk of smelter penalties.

These results materially strengthen the value of Dante Reefs. They suggest the mineralisation may be amenable to a coherent multi-product flowsheet, with separate concentrate streams providing a clearer product pathway. However, further work is still required to optimise recoveries, confirm product specifications, test variability across the resource and support future economic studies.

Overall, the Phase 1 results provide an encouraging metallurgical foundation for Dante Reefs and represent an important early step in de-risking the broader Dante Project. Southwest remains the key discovery-led growth opportunity, but its value will also depend on further metallurgical validation.

Figure 9: Phase 1 metallurgical testwork summary, showing the three concentrate streams produced from Dante Reefs material.



Source: Company

Geology

A Fertile Layered Intrusive System Supporting Major and Sustained Discovery Potential

The Dante Project sits within the Jameson Layered Intrusion, part of the Giles Complex in the West Musgrave region of Western Australia. The Giles Complex lies at the junction of three major Australian crustal provinces: the West, North and South Australian cratons. This regional configuration is associated with large, long-lived intrusive systems and strong geological prospectivity. Dante occupies a district-scale geological position rather than an isolated local anomaly.

A layered intrusion forms when a large volume of magma intrudes into the Earth's crust and cools slowly over millions of years. As it cools, minerals crystallise at different temperatures and settle into distinct layers, an ordered geological sequence that can concentrate platinum group metals, nickel, copper, titanium and vanadium into laterally extensive, commercially significant horizons.

TM1 draws a geological comparison with the Bushveld Complex in South Africa, which hosts an estimated 2.2 billion ounces of PGMs and is the world's primary source of platinum supply. This geological comparison indicates that the Jameson Intrusion belongs to the class of systems capable of generating large, multi-metal, stratiform mineralisation. The broader district context also adds confidence: BHP's nearby Nebo-Babel development, located within the same regional intrusive setting, provides relevant third-party support for the fertility and strategic significance of the West Musgrave geological province. The Jameson Intrusion is interpreted to host at least eleven PGM-copper reef horizons across the project area.

Figure 10: Primary Magmatic Sulphide Systems - Geological Analogues

System / Project	Location	Geological setting/analogue	Primary metals	Operator/owner
Norilsk-Talnakh	Siberia / Taimyr Peninsula, Russia	World-class magmatic Ni-Cu-PGE sulphide camp associated with the Siberian Traps intrusive province	Ni, Cu, Pd, Pt, PGEs	Nornickel / Norilsk Nickel
Sudbury Basin	Ontario, Canada	Impact-related Ni-Cu-PGE camp hosted by the Sudbury Igneous Complex	Ni, Cu, PGEs	Glencore, Vale, Magna Mining and others
Platreef / Flatreef	Limpopo Province, South Africa	Feeder-proximal PGM-Ni-Cu system on the Northern Limb of the Bushveld Complex	Pt, Pd, Rh, Au, Ni, Cu	Ivanhoe Mines 64%; B-BBEE partners 26%; Japanese consortium 10%
Southwest / Dante / Jameson	West Musgrave, WA, Australia	Primary magmatic PGM-Cu-Ni sulphide system within the Jameson Layered Intrusion, Giles Intrusive Complex; associated Dante Reefs Ti-V-Cu-PGE-Au system	Pt, Pd, Cu, Ni, Au; Ti, V via Dante Reefs	Terra Metals Ltd (ASX: TM1)

Southwest Shows the Hallmarks of a High-Quality Magmatic Sulphide System

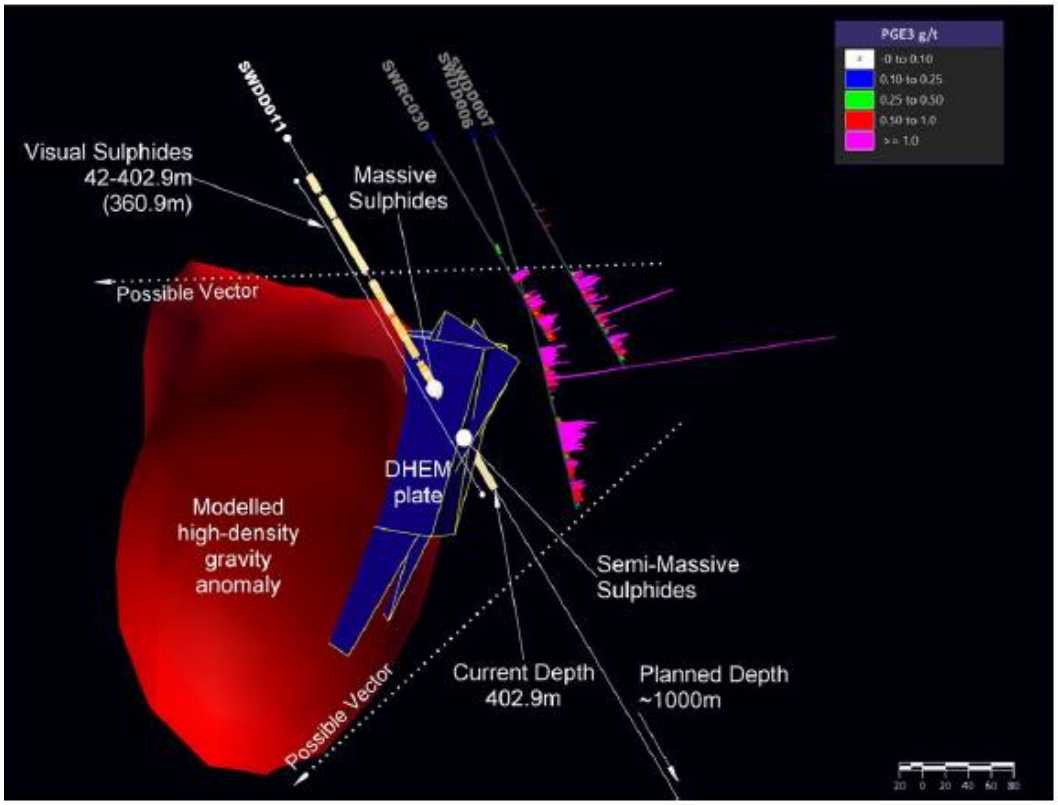
Southwest is significant not only because of its drill grades, but also because multiple geological indicators confirm it may be part of a fertile primary magmatic sulphide system, the deposit class in which metal-rich sulphide liquids form, migrate, and concentrate within a large intrusion. Each indicator below is directly relevant to the system's commercial potential.

- **Progressive sulphide textures.** Mineralisation at Southwest includes disseminated sulphides, progressing to net-textured sulphides, and then to locally massive sulphides confirmed at SW6, where sulphides constitute a major component of the rock. Massive sulphide intervals are typically the highest-grade zones within a magmatic system and the ones that drive early resource economics. At Norilsk, the richest ore is found precisely in these massive and net-textured sulphide zones. Their confirmation at Southwest indicates that the system has reached the grade concentrations associated with economic mineralisation, not merely anomalous background levels.

- **Iridium-group PGE enrichment.** PGE7 re-assays confirmed the presence of rhodium, ruthenium, osmium and iridium alongside platinum, palladium and gold. These iridium-group elements are geochemical indicators of a primitive, metal-rich magma source. They are characteristic of fertile primary magmatic sulphide systems, the same signature found at Norilsk and Platreef. Commercially, iridium-group enrichment expands the payable metal basket beyond PGE3: rhodium in particular commands a significant price premium, adding value to the ore that standard PGE3 reporting does not fully capture.
- **Off-hole DHEM conductor at SW6.** Downhole electromagnetic surveying identified a strong conductor located approximately 60 metres from the known 172-metre mineralised interval at SW6. This conductor likely represents additional sulphide mineralisation not yet drilled, a specific, geometry-defined follow-up target rather than a conceptual idea. At a comparable stage of discovery, off-hole conductors of this character have historically indicated that the known mineralisation represents only part of a larger sulphide body.
- **Structural complexity consistent with feeder-zone geometry.** Local variations in the dip and orientation of mineralisation near the interpreted feeder zone are consistent with a conduit- or feeder-pipe geological setting, the environment that hosts the highest metal concentrations in systems such as Norilsk and Platreef. Importantly, mineralisation appears to continue through these structural variations rather than being disrupted, supporting the interpretation of Southwest as a coherent, continuous system.

Taken together, these indicators place Southwest within the same geological framework that characterises the world's most valuable primary magmatic sulphide deposits. Scale comparison remains premature, but the geological credentials are not in question.

Figure 11: 3D view of the SW6 target showing drill-defined sulphide mineralisation, the off-hole DHEM conductor plate and the adjacent modelled high-density gravity anomaly, highlighting potential extensions beyond current drilling.



Source: Company

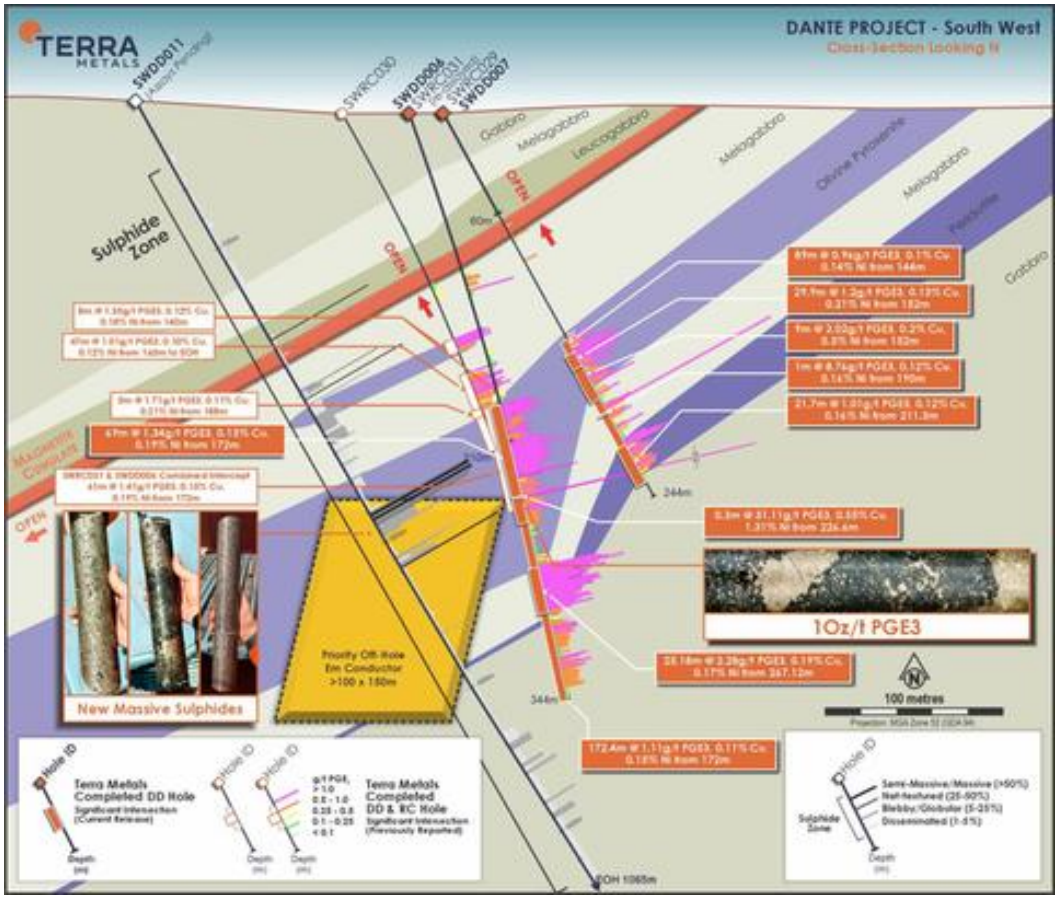
Depth Potential: What the Geological Model Implies

A key unresolved question at Southwest is how far the mineralised system extends at depth. To date, the principal discovery holes have encountered mineralisation, indicating that drilling has not reached the base of the system. This leaves the full vertical extent untested.

Terra's planned drilling at SW5 extends to approximately 1,000 metres, reflecting management's view that the interpreted feeder-pipe may continue well below current drilling. In feeder-related magmatic systems, repeated magma pulses can concentrate sulphide minerals at multiple levels within the same vertical conduit, producing stacked mineralised zones at increasing depth rather than a single horizon. The depth model observed at Norilsk, where the richest sulphide ore occurs in sub-vertical feeder channels.

At SW1, diamond hole SWDD003 is interpreted to have intersected only the upper margin of a higher-grade zone comparable to the 172.4 metre interval confirmed at SW6. The thicker, potentially higher-grade portion of the system is interpreted to plunge below current drilling, a defined target for Phase 4, not a speculative extension.

Figure 12: Cross-section through the Southwest Prospect (SW1), showing SWDD003 interpreted to have clipped the upper margin of the same high-grade zone confirmed over 172.4m at SW6.



Source: Company

Industry Analysis

Commodity Exposure and Critical Minerals Context

Terra Metals' Dante Project in the West Musgrave region of Western Australia encompasses two mineralogically distinct systems that together span nine critical commodities. The Dante Reefs deliver a large-tonnage, near-surface stratiform resource (148 Mt at 1.38% CuEq) carrying titanium, vanadium, copper, platinum, palladium, and gold. The Southwest Prospect represents a separate, potentially higher-grade discovery in a feeder-proximal massive sulphide environment that hosts platinum, palladium, nickel, and copper. The majority of these commodities appear on the Australian, US, and EU critical minerals lists.

These two systems are geologically complementary but commercially distinct. The Dante Reefs offer bulk-scale, multi-commodity optionality with a long-dated development pathway. The Southwest Prospect introduces the potential for feeder-zone grade concentration, the same geological setting that hosts the highest-value massive sulphide mineralisation in Bushveld-analogue systems globally.

Figure 13: Dante Project - Two-System Comparison

Attribute	Dante Reefs	Southwest Prospect
Mineralisation style	Stratiform oxide-sulphide reefs	Feeder-proximal massive sulphides
Scale	148 Mt (Indicated + Inferred)	Discovery-stage; resource pending
Primary metals	TiO_2, V_2O_5, Cu, Pt, Pd, Au	Pt, Pd, Ni, Cu
Grade profile	1.38% CuEq blended (up to 1.87% Indicated)	Higher-grade; feeder-zone concentration
Depth/geometry	Near-surface, near-horizontal	Steeper, sulphide lens/pipe geometry
Development pathway	Bulk-tonnage open-cut; long-duration project	Potential high-grade underground or starter pit
Bushveld analogue	Merensky / UG2 Reef equivalents	Platreef / Waterberg feeder-zone equivalents
Key value driver	Scale and multi-commodity optionality	Grade uplift; re-rating catalyst

Source: Company, East Coast Research

Critical Minerals - Strategic Context

Critical minerals have become a strategic priority for governments and industry globally. Supply chains for PGMs, gallium, vanadium, titanium and nickel are heavily concentrated in a small number of jurisdictions, many of which face geopolitical tension, export controls, or operational instability. As a result, new supply from stable jurisdictions is increasingly valued by Western governments, automakers, battery manufacturers and technology companies. Dante's commodity mix, spanning both the stratiform reefs and the Southwest Prospect, positions TM1 directly within this structural theme.

Real, ongoing supply disruptions drive this policy shift. Gallium export controls imposed by China in July 2023 highlighted the vulnerability of Western semiconductor and defence supply chains. Russian palladium supply has remained affected by sanctions since 2022, while South African PGM output fell an estimated 9% in 2025 amid worsening power and operating constraints. These are active risks and constraints on materials that are important to the energy transition, advanced manufacturing and strategic technologies.

The policy response has been globally meaningful. PGMs, vanadium, titanium, nickel and gallium all appear on critical minerals lists in Australia, the United States and the European Union. In parallel, governments are supporting project development through grants, concessional finance and supply-chain facilitation, while end-users are increasingly seeking long-term offtake agreements and direct upstream exposure. For TM1, this is an important part of the investment case. Dante is exposed to many favourable commodity markets and is aligned with a broader structural push to secure a reliable supply of critical minerals from politically aligned jurisdictions.

Commodity Significance of the Southwest Prospect

From a commodity perspective, Southwest is particularly attractive because its metal suite is concentrated in platinum, palladium, nickel and copper, all of which are strategically important and subject to varying degrees of supply-side constraint. Platinum is the most important value driver. Its supply is heavily concentrated in South Africa, where production faces persistent operational pressure from power disruption, deep-level mining complexity, and cost inflation. At the same time, platinum retains established automotive and industrial demand and offers longer-term optionality through hydrogen-related technologies.

Palladium adds near-term value, but its longer-term outlook is less compelling. Demand remains supported by gasoline and hybrid-vehicle autocatalysts, though structural headwinds from the adoption of battery-electric vehicles increasingly offset this. Nickel and copper strengthen the strategic relevance of the discovery. Nickel is important because magmatic sulphide systems are typically associated with Class 1 sulphide nickel, which is the premium form required for battery supply chains. Copper remains the base metal anchor, supported by electrification, grid investment and rising data centre demand.

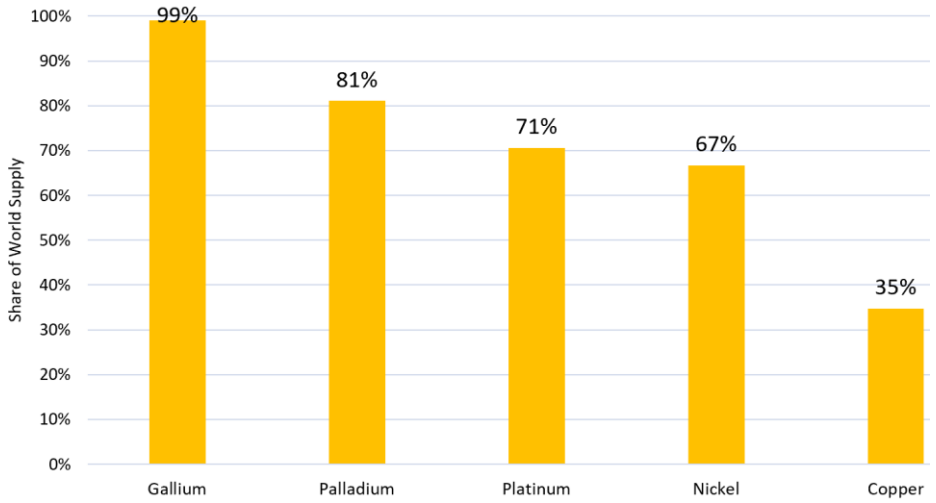
Taken together, Southwest's commodity mix is important not simply because it contains several valuable metals, but because it is weighted toward those with the strongest strategic relevance and the most constrained supply outlook. Any successful resource definition at Southwest would add a higher-grade, strategically valuable sulphide discovery to the broader Dante system. Gallium should be viewed as secondary exploration.

Figure 14: Southwest Prospect - Commodity Summary

Metal	SW Role	Key Demand Drivers	Supply Risk
Pt	Primary	H_2 fuel cells; autocatalyst; jewellery	SA >74%; deep-mining stress; -9% output 2025
Pd	Primary	Gasoline autocatalyst (dominant use)	Russia ~40%; surplus risk from EV transition
Ni	Primary	EV battery cathodes; stainless steel	Indonesia dominates; class-1 scarcity persists
Cu	Primary	Electrification; grid; EVs; AI data centres	Structural deficit forming; 16.5yr lead times
Ga	Secondary	GaAs/GaN semiconductors; solar cells	China ~98% of global production (2023)
Metal	SW Role	Key Demand Drivers	Supply Risk

Source: East Coast Research

Figure 15: Leading Producer(s) Commodity Supply Concentration



Source: U.S. Geological Survey 2026, East Coast Research

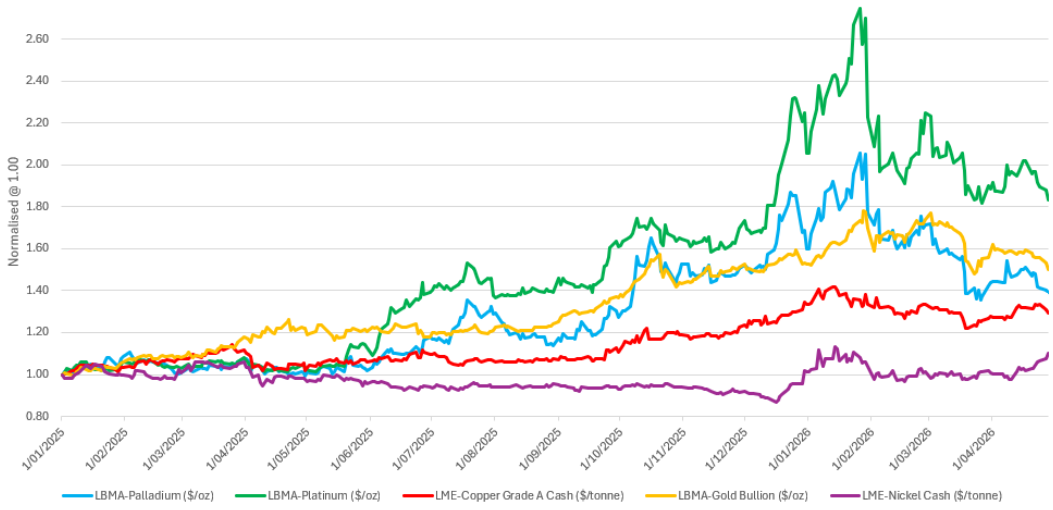
(Figure 15) highlights Southwest's exposure to commodities with highly concentrated global supply. Gallium is the most concentrated, with China accounting for approximately 99% of supply, though at Southwest, it should be viewed as secondary upside for exploration rather than a core driver. Among the core commodities, palladium and platinum also show significant concentration, with dominant producing regions accounting for approximately 81% and 71% of global supply, respectively. This creates a fragile supply chain, particularly given South Africa's PGM exposure to deep-mining, power instability, labour disruption, and ageing infrastructure, and Russia's palladium exposure to geopolitical and sanctions-related risks.

Nickel and copper further strengthen the strategic case. Nickel supply is concentrated at approximately 67%, with recent growth dominated by Indonesian laterite production, while Southwest's potential exposure is to higher-quality sulphide nickel relevant to Class 1 battery supply chains. Copper is less concentrated at approximately 35%, but remains constrained by declining grades, long development timelines and a limited pipeline of major discoveries. Overall, a successful resource definition at Southwest could establish a Western-jurisdiction sulphide discovery exposed to strategically important commodities with concentrated supply and limited new development options.

Commodity Price Performance and Outlook

(Figure 16) shows indexed AUD price performance for platinum, palladium, gold, copper and nickel from 1 January 2025 to late April 2026, rebased to 1.00. Platinum has been the clear outperformer, rising sharply through late 2025 and early 2026 before retracing, but still ending the period materially above its January 2025 base. Palladium also recovered meaningfully from prior lows, although its performance was more volatile and less sustained than platinum's. Gold delivered a steady and comparatively resilient rise over the period, supported by central bank buying, geopolitical uncertainty and safe-haven demand. Copper trended higher on electrification-related demand and constrained mine supply, while nickel was the weakest performer, reflecting continued market softness despite a modest late-period recovery.

Figure 16: Indexed AUD commodity price performance since 1 January 2025, rebased to 1.00: Platinum, Palladium, Gold, Copper and Nickel.



Source: Capital IQ

The PGM outlook remains supported by structural supply constraints, particularly in South Africa, where operational disruption, power instability and cost inflation continue to limit reliable output. Platinum also retains longer-term demand support through its role in hydrogen technologies, while palladium may prove more resilient than expected if hybrid vehicle demand remains stronger for longer. However, this outlook is not without risk. The main downside factors are a faster-than-expected shift to battery electric vehicles, which would weaken autocatalyst demand, and broader macroeconomic softness, which could reduce automotive production and industrial activity.

Valuation

Updated Valuation of $0.68 - $0.99 Per Share

Since our last update, TM1 has delivered milestones that materially strengthen the Southwest investment case. We do not believe the current share price fully reflects the high-grade results now emerging at Southwest, the potential for a materially larger resource footprint, or the increasingly compelling commodity exposure across titanium, vanadium, copper, gold, nickel, and PGEs.

1. **Southwest high grades continue to strengthen the near-term exploration case:** Recent drilling has confirmed high-grade PGE, copper and nickel mineralisation within a broader mineralised envelope at Southwest. The standout SW6 zone returned a 172.4m unbroken mineralised interval grading 1.11g/t PGE3, 0.11% Cu and 0.15% Ni, including 61.0m at 1.41g/t PGE3, 25.2m at 2.28g/t PGE3 and a very high-grade 0.3m interval at 31.11g/t PGE3 with 0.55% Cu and 1.31% Ni. These results highlight the grade intensity at Southwest and support its potential to become a material value driver within the broader Dante Project.
2. **Southwest has increasing potential for meaningful resource growth:** Beyond the headline grades, the broader geological picture is becoming increasingly important. Mineralisation remains open along strike and at depth, with drilling confirming lateral continuity, a substantial vertical extent, and multiple styles of sulphide mineralisation, including disseminated, net-textured, and locally massive sulphides. The presence of both magnetite-rich and non-magnetite gabbro-hosted sulphides, together with consistent iridium-group PGE enrichment, supports the interpretation of Southwest as part of a larger feeder-related magmatic sulphide system. This points to potential for a significantly larger resource footprint rather than a single isolated high-grade zone.
3. **TM1's commodity exposure has become more compelling:** TM1 offers exposure to a rare combination of titanium, vanadium, copper, gold, nickel and PGEs within the Dante Project. This matters because the valuation is not dependent on a single commodity or development pathway. The titanium and vanadium streams provide a critical minerals scale. At the same time, the copper-gold-PGE-nickel sulphide component offers higher-value optionality and potential strategic appeal if ongoing drilling continues to confirm a larger magmatic sulphide system.

Methodology

Our valuation for TM1 uses a sum-of-the-parts approach across five components: the Dante TiO_2 stream, the Dante V_2O_5 stream, the Dante Cu–Au–Pt–Pd sulphide stream, Southwest oxide optionality and Southwest sulphide optionality. This is appropriate because Dante is a multi-commodity project, with materially different value drivers across the bulk Ti–V streams, the higher-value sulphide stream and the earlier-stage Southwest discovery. For the TiO_2 and V_2O_5 streams, we apply peer-derived EV-to-contained-metal multiples to the risk-adjusted contained resource. For the Cu–Au–Pt–Pd sulphide stream, we apply a value factor to recoverable-payable gross metal value, which better reflects the economics of a polymetallic sulphide stream where value is driven by recovery, payability, commodity mix and revenue quality.

Southwest is valued separately using a conceptual, probability-weighted exploration framework rather than as a defined resource. The model estimates potential tonnes using assumptions for strike length, width, true thickness, density and geological fill factor, and applies assumed grades, recoveries, payabilities and value factors. The resulting value is probability-weighted to reflect the early-stage nature of the discovery while recognising the potential value of a larger magmatic sulphide system. To capture a realistic range of outcomes, we model a Base Case and an Upside Case, setting our price target at the midpoint of the two scenarios.

Assumptions

Risk-Adjusted Resource Base

The valuation applies full credit to Indicated material and a 50% haircut to Inferred material from TM1's August 2025 Dante Mineral Resource Estimate, producing an effective contained metal base of 14.5 Mt TiO_2, 540 kt V_2O_5, 180 kt copper, 300 koz gold, 690 koz platinum and 255 koz palladium. The haircut reflects TM1's pre-scoping status: the market is unlikely to capitalise Inferred material at full value until additional drilling improves resource confidence and the project advances through formal study milestones. The Dante valuation is therefore anchored to a risk-adjusted resource base rather than gross contained metal.

Recoveries and Payabilities

Metallurgical assumptions are central to the model because the valuation is based on recoverable-payable metal rather than in-situ inventory. Applied recovery rates are 65.6% for TiO_2, 90.9% for V_2O_5, 95.8% for copper, 75.8% for gold, and 74.4% for platinum and palladium combined, reflecting the available testwork. Payability assumptions further refine revenue quality: 96% for copper, 98% for gold, and 90% for both platinum and palladium, consistent with typical industry terms for comparable concentrate products. Together, these inputs ensure the valuation reflects commercially realisable metal value rather than theoretical contained metal.

Southwest Assumptions

Southwest is treated separately from Dante Reefs because it is not currently included in the formal Dante Reefs Mineral Resource Estimate and remains at the discovery stage. The model, therefore, assigns Southwest a conceptual, probability-weighted optionality value rather than valuing it on the same basis as the defined Dante Reefs resource.

The conceptual Southwest sulphide case assumes a mineralised envelope with a 1,200m strike, an interpreted lateral extent of 650m, a 35m assumed true thickness, a density of 3.8 t/m^3 and a 55% geological fill factor. This generates a conceptual mineralised inventory of approximately 57.1 Mt, equating to contained metal of approximately 5.32 Moz PGE3, 68 kt copper and 68 kt nickel. These figures should be viewed as a conceptual exploration upside. Key sensitivities include true thickness, grade distribution, continuity between target areas, sulphide domain continuity and metallurgical performance.

Scenario outcomes are driven by probability weighting, geological confidence and valuation recognition. Conservative cases assign limited value to Southwest, while the Base and Bull cases apply higher recognition as drilling at SW1, SW5 and SW6 improves confidence in continuity, geometry and scale.

Scenario Analysis

We model two scenarios to capture a realistic valuation range: a Base Case and an Upside Case defined by the highest-sensitivity inputs**.**

- **Commodity Prices:** The Base Case applies prices of US$11,500/t for copper, US$4,500/oz for gold, US$2,000/oz for platinum, US$1,500/oz for palladium and US$9,500/t for V_2O_5, with an AUD/USD rate of 0.72. The Bull Case applies a 25% premium across the commodity basket to reflect a more constructive pricing environment.
- **Peer multiple:** The Base Case applies a 50% discount to the peer-average multiple, reflecting TM1's earlier stage, resource confidence risk, unconfirmed product pathway and broader execution risk. The Bull Case applies a 25% premium to the Base Case multiple, reflecting potential re-rating as stronger commodity prices support sector multiples and TM1 delivers key catalysts, including Southwest drilling progress and further high-grade results at Dante.

Peers Comparison

Valuing an exploration-stage polymetallic project requires a practical benchmark for what the market is willing to pay for comparable resource exposure at a similar stage of development. TM1 is unusual because Dante contains multiple mineralised streams: a titanomagnetite-hosted TiO_2 stream, a co-product V_2O_5 stream and a magmatic Cu-Au-Pt-Pd sulphide stream. No single peer provides a perfect comparable, so the analysis uses separate peer sets and valuation metrics for each stream, while applying material discounts to reflect TM1's earlier stage of development, resource confidence and project execution risk.

Stream 1 - TiO_2

The TiO_2 peer set is restricted to titanomagnetite-hosted deposits. Mineral sands producers such as Iluka Resources and Kenmare Resources are excluded because their deposit types, processing routes and end-product specifications differ materially from Dante. Australian Vanadium's Gabanintha and Strategic Resources' BlackRock project in Québec are the most relevant benchmarks, given their titanomagnetite resources and defined TiO_2-V_2O_5-Fe product pathways. Gabanintha is the primary anchor due to its approved status, ongoing OFS and ASX-listed comparability, while BlackRock provides a secondary international reference. To reflect TM1's earlier stage, unconfirmed titanium product pathway, West Musgrave logistics and resource confidence risk, we apply a 50% discount to the peer-average TiO_2 multiple.

Figure 17: TiO_2 Peer Set: Titanomagnetite-Hosted Ti-V Projects

Ticker	Company / Project	Stage	EV (A$m)	Contained TiO_2 (Mt)	EV/t TiO_2 (A$)
TSXV: SR	Strategic Resources / BlackRock, Québec	FS complete; fully permitted; stalled FID	32	26.1	1.23
AVL	Australian Vanadium / Gabanintha, WA	Env. Approved, OFS underway	69	36.0	1.92
Average					**1.57**

Source: pany, CapIQ, East Coast Research. Peer EVs as of 5 May 2026.

Stream 2 - V_2O_5

TM1 is not valued as a primary vanadium developer. Its V_2O_5 inventory is recognised as a meaningful co-product within the broader Dante polymetallic system, and the EV/kt multiple is applied on that basis rather than as a standalone primary valuation driver. AVL and VKA are used as benchmarks because both are ASX-listed vanadium-bearing titanomagnetite developers with defined JORC resources and active development pathways, making them the most directly comparable listed companies available.

Figure 18: V_2O_5 Peer Set: Vanadium-Bearing Titanomagnetite Projects

Ticker	Company / Project	Stage	EV (A$m)	Contained V_2O_5 (kt)	EV/kt V_2O_5 (A$/kt)
AVL	Australian Vanadium / Gabanintha, WA	Env. Approved, OFS underway	69	3,045	0.02
VKA	Viking Mines / Canegrass, WA	Pit optimisation study complete; PFS preparation	24	495	0.05
Average					**0.05**

Source: Company, CapIQ, East Coast Research. Peer EVs as of 5 May 2026.

AVL appears in both the TiO_2 peer set and this table because it is a titanomagnetite system with material exposure to both metals, and no cleaner single-metal separation is available at this stage of its development. Because AVL's enterprise value reflects whole-company value and already captures both titanium and vanadium exposure, applying its EV/kt V_2O_5 multiple at face value would risk overstating TM1's vanadium stream in isolation. To address this, a 50% discount is applied to the peer-average multiple when valuing TM1's V_2O_5 stream, reflecting its secondary co-product status and the partial attribution of peer EVs to titanium rather than to vanadium alone.

Stream 3 - Cu–Au–Pt–Pd Sulphide

The sulphide stream is valued using a Value Factor methodology, in which each peer's enterprise value is expressed as a percentage of the recoverable-payable gross metal value. This is more appropriate than a simple EV/oz or EV/t metric because Dante and Southwest are multi-metal systems with exposure to copper, gold, platinum, palladium and nickel, each with different recoveries, payabilities and price assumptions.

Figure 19: Cu-Au-Pt-Pd Sulphide Peer Set

Ticker	Company / Project	Stage	EV (A$m)	Rec-Pay GMV (A$bn)	Value Factor (%)
PVT	Pivotal Metals / Horden Lake, Quebec	Pre-PFS	12	1.50	0.8%
TSXV: PNPN	Power Metallic / Nisk-Lion, Quebec	Resource definition	286	0.95	30.1%
CHN	Chalice Mining / Gonneville, WA	PFS complete Dec 2025	488	12.50	3.9%
Average					**11.6%**

Source: Company, CapIQ, East Coast Research. Peer EVs as of 5 May 2026.

Pivotal Metals' Horden Lake provides a lower-bound reference, given its earlier-stage Cu-Ni-Pd-Au profile in Quebec and completed initial metallurgical testwork. Power Metallic's Nisk-Lion provides the upper-bound reference, reflecting the premium valuation that can be achieved where high-grade Cu-PGE mineralisation, recoveries and resource growth potential are more clearly demonstrated. Chalice Mining's Gonneville is included as an ASX-listed, post-PFS benchmark with Western Australian jurisdictional relevance, but it is not treated as a direct geological analogue. Gonneville is hosted in an altered intrusive system with arsenide and silicate-hosted PGMs and more challenging metallurgy, whereas TM1's Southwest discovery is interpreted as a primary magmatic sulphide-hosted PGE-copper-nickel system. District-scale systems such as Norilsk, Sudbury, and Platreef/Valterra provide more relevant geological context but are not used directly in the valuation multiple because they are large-scale operating or advanced-development analogues rather than listed discovery-stage peers.

The unadjusted peer-average Value Factor of approximately 11.6% represents the market value currently being attributed to comparable listed sulphide systems. We apply a 50% discount to reflect TM1's pre-scoping stage, the early-stage nature of Southwest and the absence of a formal sulphide resource estimate. This results in an applied Value Factor of approximately 5.8%. The difference between the unadjusted and discounted multiples represents potential upside re-rating if Phase 4 drilling confirms Southwest's scale, geometry, continuity, and metallurgy.

Valuation

Our valuation for Terra Metals uses a sum-of-the-parts framework. On this basis:

We have revised our target price to $0.84, representing a 205% potential upside from the current share price, based on a Price/NAV multiple of 0.33

Our analysis highlights material upside of 205%, derived from a midpoint approach between the base case ($0.68/sh) and upside case ($0.99/sh), representing potential uplifts of 149% and 261%, respectively. The current share price does not appear to reflect the full value of TM1's broader project portfolio, particularly the emerging potential at Southwest and the scale of the Dante geological system. Dante already offers a large-scale resource base with multiple defined target areas, strong metallurgical recoveries and exposure to critical metals. At the same time, Southwest is beginning to show evidence of a broader high-grade PGM-Cu-Ni system, with drilling results suggesting potential for meaningful resource growth. Key catalysts that could help close the valuation gap include further drilling at Southwest, definition of a maiden resource, additional metallurgical confirmation, progression toward formal study work and stronger market recognition of critical minerals and PGE supply risk.

Figure 20: TM1: Sum of the Parts Valuation

Equity Valuation (A$M)	Base Case	Upside Case	Remarks
DANTE PROJECT			
Dante Reefs TiO_2 Resource Value	10.84	14.26	Multiple applied to the risk-adjusted contained resource.
Dante Reefs V_2O_5 Resource Value	12.30	16.18	
Dante Reefs Cu–Au–PGE Sulphide Value	312.37	513.77	Value factor to recoverable-payable polymetallic GMV
Southwest Oxide Discovery Value	1.69	3.11	
Southwest Sulphide Discovery Value	339.00	463.52	Risked value for magmatic sulphide discovery optionality
Risked Dante Project Value (A$m)	**676.20**	**1,010.83**	
Implied EV (A$m)	**676.20**	**1,010.83**	
Cash & cash equivalent[1] (A$m)	66.66	66.66	From the latest quarterly
Debt[2] (A$m)	0.00	0.00	
Total Market Value of Equity (A$m)	**742.86**	**1,077.49**	
Number of shares (m)[3]	1,086.32	1,086.32	
Implied price (A$)	**0.68**	**0.99**	
Current price (A$)[4]	0.28	0.28	
Upside (%)	*149%*	*261%*	
Mid-point Target Price (A$)	**0.84**		
Mid-point Target Price Upside (%)	*205%*		
Price / NAV (X)	**0.33x**		

Note:
[1] From Latest Quarterly, as at 31 March 2026
[2] From the Latest Quarterly, as at 31 March 2026
[3] Includes dilution of options and performance rights
[4] as of 5 May 2026
Source: ASX, Company & East Coast Research

Risks & Re-Rating

Catalysts for Positive Re-rating

- **Southwest resource definition has become a more immediate and better-defined catalyst.** The quarterly confirms that the H1 2026 drilling program is focused on expansion and resource definition at Southwest, with four rigs mobilised and an additional diamond rig expected in May. Approximately 17 RC holes and six diamond holes had been completed, with assays expected over the coming weeks, creating a stronger near-term results pipeline. These results are expected to support the maiden Southwest MRE, targeted for H2 2026, with the exact timing dependent on assay turnaround times, interpretation, and resource modelling.
- **The continuity and scale case has also improved materially.** The April announcement confirmed that SWRC031 and SWDD006 link into a single 172.4m unbroken mineralised zone, open along strike and at depth. Together with the reported mineralised footprint of approximately 850m strike, up to 650m interpreted lateral extent and up to 172m downhole thickness, this supports the interpretation of Southwest as an increasingly coherent mineralised system rather than a series of isolated intercepts.
- **The assay catalyst should now be framed more broadly.** While SWDD011 remains important, the stronger near-term catalyst is the pending assay flow from the broader active H1 2026 Southwest drilling program. In addition, the upgraded Dante Reefs Mineral Resource Estimate is now more time-specific, with delivery expected in late H1 2026.
- **Capital support has also strengthened.** With approximately A$67m cash at 31 March 2026 and the second tranche of the A$85m placement expected in May, subject to shareholder approval, funding is less of a near-term risk and more a source of validation and execution capacity.

Key Risks to Price Target

- **Exploration and continuity risk** has reduced following the SW6 continuity result, but it has not been eliminated. The key risk has shifted from whether Southwest represents a genuine mineralised system to how large, continuous and mineable that system ultimately becomes.
- **Geological modelling risk** should now be stated more explicitly. Recent announcements highlight local dip variations, structural complexity and the fact that true thickness has not yet been established. Accordingly, the key technical risks are now geometry, true-width interpretation, structural continuity and eventual resource conversion.
- **Resource conversion risk** remains important. Despite stronger drilling results, Southwest remains in the early exploration stage, and current drilling is insufficient to establish the continuity required for Mineral Resource estimation. Metallurgy and commercialisation risk are broadly unchanged, as the recent updates are primarily geological and drilling-related rather than processing-related.

Appendix I: SWOT Analysis

Figure 21: SWOT Analysis

Strengths	Weakness
1. Large, near-surface base asset already defined: Terra has already moved beyond pure exploration with a maiden Dante Reefs MRE of 148Mt @ 14.8% TiO_2, 0.54% V_2O_5, 0.18% Cu and 0.33g/t 3PGE, which provides a real valuation base rather than a purely conceptual discovery story. 2. Southwest adds a second, higher-grade discovery driver: Southwest is important because it introduces a distinct PGM-Cu-Ni sulphide system alongside the broader reef inventory. Results such as 35m @ 2.90g/t PGE3, including 1m @ 52.97g/t PGE3, materially improve the story. 3. Metallurgy is more advanced than many peers at this stage: Terra has already shown that Dante Reefs material can produce three concentrate streams: Cu-Au-PGM sulphide, vanadium-magnetite, and titanium-ilmenite. This begins to demonstrate a plausible processing pathway. 4. Stronger balance sheet and credible institutional backing: Terra's A$85m February 2026 placement, comprising an initial tranche and a second tranche expected in May 2026, subject to shareholder approval, materially strengthens its funding position. Backed by GEAR, Tribeca, Soul Pattinson and management, the raise supports accelerated Southwest drilling, resource definition and early economic studies.	1. Southwest remains outside the formal resource base: The biggest driver of current market excitement, Southwest **sulphide**s, is still not supported by a JORC resource. That means a large part of the discovery premium is still based on drilling success and interpretation rather than independently defined mineral inventory. 2. Development remains early, and capital intensity is still unknown: Dante has a resource and encouraging metallurgy, but it does not yet have a reserve, scoping study, or feasibility study in the materials provided. That makes the long-term development case harder to underwrite with confidence. 3. Remote location raises future infrastructure demands: The West Musgrave setting is geologically attractive, but it is still remote. Even if the asset proves economically viable, the project will likely require significant infrastructure and capital before a mine can be developed.
Opportunities	**Threats**
1. Southwest resource definition could be transformational: A formal resource at Southwest would move a major part of the story from conceptual upside into defined tonnes and grade. That would likely broaden the potential investor base and support a more structured valuation framework. 2. Dante Reefs still has meaningful resource growth potential: The current MRE covers less than 10% of the mapped mineralised trend, which means continued drilling could add substantial tonnes and improve confidence categories across the existing reef corridor. 3. SW3-SW4 opens a second growth pathway at Southwest: The oxide-rich SW3-SW4 system already extends more than 800m of strike and 400m of width, with reef packages up to 60m thick. That creates a second avenue for resource growth beyond the higher-grade sulphide narrative. 4. Economic studies could materially de-risk the investment case: Early studies would translate drilling success into development pathways, processing options and clearer relative value between Dante Reefs and Southwest.	1. Southwest drilling could disappoint relative to market expectations: The current share price likely reflects a meaningful discovery premium. If Phase 4 drilling fails to replicate the strongest SW5 and SW6 results, the market may quickly reduce the value it assigns to Southwest. 2. Commodity price weakness would pressure sentiment and valuation: Terra's multi-commodity exposure creates diversification, but it also leaves the project exposed to weakness across several markets at once. A softer PGM, vanadium, or titanium pricing environment would reduce enthusiasm for the story. 3. Permitting and execution risk will rise as the project matures: Exploration success is only the first stage. If Terra advances toward development, permitting, heritage, infrastructure, and execution risk will become more important and could slow the timeline to monetisation.

Source: East Coast Research

Appendix II: Management Team

TM1's leadership team combines deep expertise in mining, exploration, and technical development with resource-sector investing, corporate governance, and mining finance, supporting both project advancement and market-facing execution.

Figure 22: Leadership Team

Name and Designation	Profile
Ian Middlemas Non-Executive Chairman	▪ Mr Middlemas brings extensive senior mining and corporate experience, including more than 10 years as a Senior Group Executive at Normandy Mining, formerly Australia's largest gold miner before its merger with Newmont. ▪ He currently serves as Chairman of a number of ASX-listed resource companies, adding broad listed-company and sector oversight to Terra Metals' board.
Thomas Line CEO & Managing Director	▪ Mr Line is an experienced mining executive with more than 14 years in resource development and large-scale mining production. ▪ His operating background spans grade control, resource modelling, mineral processing, geometallurgy, greenfields and brownfields exploration, and pit-to-port reconciliation and logistics. ▪ Since leaving major mining in 2019, he has focused on project generation, greenfields exploration, and discovery, with six years leading ASX-listed junior exploration companies in CEO and Managing Director roles.
Ben Cleary Non-Executive Director	▪ Mr Cleary is a Portfolio Manager and Director at Tribeca Investment Partners, based in Singapore. ▪ He brings more than 20 years of experience across the natural resources sector, supporting Terra Metals with capital markets and sector investment perspective.
Haydn Smith Non-Executive Director	▪ Mr Smith is the Founder and Managing Director of a bio-carbon business and previously worked as a Portfolio Manager at Tribeca Investment Partners. ▪ Before that, he spent 20 years at Macquarie Bank, where he served as an Executive Director and Global Head of the bank's Mining Finance Group.
Gregory Swan Company Secretary	▪ Mr Swan is a Chartered Accountant with more than 18 years' experience in the formation and development of publicly listed natural resources companies. ▪ He currently serves as Chief Financial Officer and/or Company Secretary for several listed resources companies, providing Terra Metals with governance, reporting, and compliance capability.
Evan Kirby Chief Metallurgist	▪ Dr Kirby has more than 40 years of international metallurgy experience across design, commissioning, and operations in gold, copper, vanadium, lithium, and PGM projects. ▪ He has held senior roles with Bechtel, Minproc and Anglo Platinum, and brings deep expertise in metallurgical testwork and process development for complex polymetallic systems.
Ken Lomberg Independent Resource Consultant	▪ Mr Lomberg is a specialist in Mineral Resource estimation for layered intrusions, with more than 38 years of experience. ▪ He is Director, Geology and Resources at Pivot Mining Consultants and is a Registered Professional Natural Scientist with the South African Council for Natural Scientific Professions.
Solomon Buckman Chief Geologist	▪ Dr Buckman is an economic geologist with more than 30 years of experience in mineral systems research and exploration across Australia, Asia and the Middle East. ▪ • His background spans gold, porphyry-skarn Cu-Au, and ophiolite-related systems, and he now leads geological modelling and targeting for the Dante Project.
Scott Halley Chief Geochemist	▪ Mr Halley has advised more than 150 mining and exploration companies across more than 25 countries over the past 14 years. ▪ Having previously worked for 20 years as an exploration geologist, he brings practical geochemical expertise to exploration targeting and project evaluation.

Source: East Coast Research

Appendix III: Analyst's Qualifications

Michael Jarvis

Michael is an Equity Research Analyst at Shares in Value (East Coast Research) and the analyst on this report. He holds a Bachelor of Business from the University of Technology Sydney, has passed the Level I CFA exam, and holds the Advanced Financial Modeller (AFM) accreditation.

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