Arrowhead

Due Diligence and Valuation Report

Arrowhead code:	22-02-03
Coverage initiated:	July 14, 2025
This document:	September 16, 2025
Fair share value bracket:	A$0.071 – A$0.087
Share Price[i] (September 16, 2025):	A$0.022

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ASX

METALS AUSTRALIA LTD

Company:	Metals Australia Ltd
Ticker:	ASX: MLS
Headquarters:	West Perth, Australia
CEO:	Paul Ferguson
CFO:	Tanya Newby
Website:	www.metalsaustralia.com.au

Market Data[ii]

52-Week Range:	A$0.016 – A$0.029
Average Daily Volume (3M Avg.):	538,055
Market Cap. (September 16, 2025):	A$16.10 million

Company Overview

Metals Australia Ltd ("Metals Australia", "MLS" or "the Company") is a mineral exploration and early-stage development company headquartered in West Perth, Australia. The Company holds a portfolio of diverse projects in Canada and Australia, with exposure to a range of critical minerals – graphite, nickel, vanadium, gold, silver, copper, zinc, titanium, and iron.

MLS holds four key projects – the Lac Carheil Graphite Project & the Corvette River Project, both in Quebec, Canada, and the Warrego East Copper-Gold Project & the Manindi Vanadium-Titanium-Magnetite Project, both in Australia.

The Company's flagship Lac Carheil Graphite Project hosts a current mineral resource estimate (MRE) of 50.0 million tons (Mt) at 10.2% total graphite carbon (TGC). It is the most advanced project in the portfolio and is currently progressing through a pre-feasibility study (PFS). The Manindi VTM Project ranks next in the Company's development pipeline, with plans underway for resource drilling following favorable metallurgical outcomes. Exploration efforts continue at the Corvette River Project, where field activities in 2024 demonstrated the project's potential for gold, silver, and base metal discoveries. The Warrego East Project is currently being drilled, offering near-term upside from positive exploration results.

Highlights

1. At the Lac Carheil Graphite Project, MLS completed a 9,538m winter drilling program in March 2025. The Company released an updated MRE in August 2025 with 50.0 Mt @ 10.2% TGC, which is approximately four times of the maiden MRE of 13.3 Mt. The Company has also secured a grant of up to C$600,000 from the Quebec Government to support metallurgical and process design work on the project. The Company has advanced its Battery Anode Material plant design, achieving 99.99% carbon purity and 72% yield, with a Project Economic Assessment underway.
2. During the second half of 2024, the Company tripled its area holding at the Lac Carheil project in Quebec. The broader claims area provides substantial upside for additional graphite deposits, along with base metals and iron ore potential.
3. MLS reported Phase 1 exploration results in October 2024 at the Corvette River Project, identifying high-grade Gold-Silver occurrences with trench and rock chip samples returning up to 3.85 g/t Au and 19.8 g/t Ag at Felicie, 4.42 g/t Au at West Eade, and broad mineralization >0.3 g/t Au over 400m strike at East Eade, alongside historical high-grade occurrences including 29.7 g/t Au.
4. At the Warrego East Project, MLS announced the commencement of drilling on five targets that are highly prospective for Copper and Gold.
5. Samples from the metallurgical test work at the Manindi VTM Project have yielded two commercial-grade Titanium-Iron and Iron-Vanadium concentrates with a combined yield exceeding 65% from existing drill samples. This demonstrates strong recovery potential and supports the MLS's plans to advance the project to resource drilling.

Risks

As a mineral exploration and early-stage development company, Metals Australia is exposed to significant operational risk due to the capital-intensive nature of exploration activities and the inherent uncertainty of outcomes in the early phases of project development. These risks are moderated by the strategic geological setting of MLS's diverse projects, that span several tier 1 jurisdictions and commodities with consistent positive exploration outcomes.

Valuation & Assumptions

Given the due diligence and valuation estimates, Arrowhead believes that Metals Australia's fair market value per share is A$0.071 to A$0.087, derived using the Discounted Cash Flow (DCF) and Relative Valuation (RV) methodologies.

See important disclosures on page 47 of this report.

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1. Investment Thesis

Arrowhead is updating coverage on Metals Australia Ltd with a fair value of A$0.071 per share in the lower-case scenario and A$0.087 per share in the upper-case scenario. The valuation is derived using the Discounted Cash Flow (DCF) and Relative Valuation (RV) methodologies and supported by the following investment highlights:

Lac Carheil Graphite Project Reports Updated Mineral Resource Estimate

Metals Australia's flagship project, the Lac Carheil Graphite Project in Quebec, Canada, hosts a JORC (Joint Ore Reserve Committee) and NI 43-101-compliant MRE of 50.0 Mt at 10.2% TGC for 5.1 Mt of contained graphite, comprising 24.8 Mt indicated resources at 11.3% TGC and 25.2 Mt inferred resources at 9.1% TGC. With high-grade mineralization and scalability, the project is well-positioned to become a key supplier of graphite to Western markets. Located in a Tier-1 jurisdiction, Lac Carheil also benefits from access to low-cost hydropower, robust infrastructure, and proximity to road, rail, and port networks.

In August 2025, MLS completed an RPEEE assessment that showed major improvements over the 2021 Scoping Study. The MRE increased from 13.3 Mt @ 11.5% TGC to 50.0 Mt @ 10.2% TGC, with the strip ratio dropping from 5.6 to 2.3, and metallurgical recovery improving from 86.3% to 96.7%.

The Company is currently undertaking a Pre-Feasibility Study, backed by technical partnerships, and a C$600,000 grant from the Quebec Ministry of Natural Resources and Forests. Metallurgical, geotechnical, and hydrogeological studies are also underway to support and optimize the project development pathway. Metals Australia is making progress on its Battery Anode Material plant design, with recent tests delivering 99.99% carbon purity and a 72% yield, as the Project Economic Assessment moves forward. Sept-Îles, Quebec, is confirmed as the preferred location for this plant. These initiatives are undertaken to advance the Lac Carheil Project toward downstream integration, future offtake agreements, and long-term commercialization.

Strategic Portfolio Broadens Growth Avenues and Reduces Concentration Risk

Metals Australia holds a portfolio of diverse exploration-stage assets in Canada and Australia, exploring a range of critical minerals such as graphite, gold, silver, and base metals in Canada and an existing Zinc-Copper-Silver Mineral Resource beside a VTM (Vanadium-Titanium-Magnetite) discovery in Western Australia. In the Northern Territory, the Company has commenced drilling on Copper, Gold, and Bismuth targets. Over the past 12 months, the Company has advanced multiple field exploration programs, including a major resource update at the Lac Carheil Project, and early-stage field work across three separate regions with its Corvette River Project in Quebec's James Bay region. The Company has also completed two exploration projects in Western Australia and significantly advanced its Northern Territory Warrego East Project to the point where drilling has commenced. Additionally, metallurgical testing on the Manindi Vanadium-Titanium-Magnetite Project resulted in confirmation of the project's commercial potential. This strategic mix of diverse projects provides several growth engines and reduces reliance on any single asset.

Experienced Leadership and Technical Support Drive Execution Capability

Metals Australia has a highly experienced leadership team that underpins its ability to advance exploration and development initiatives while maintaining stakeholder confidence. Paul Ferguson, CEO of Metals Australia, brings over 30 years of experience across the Resources and Energy sectors, with a strong track record in project development and operations, particularly within the Canadian market. Tanya Newby, the Company's CFO, has over 20 years of experience in finance, governance, and commercial roles within the Resources sector. Non-Executive Directors Alexander Biggs and Basil Conti have worked for over 20 years in the Mining industry. They are supported by a capable board and management team with demonstrated expertise in exploration, development, and capital markets, enabling the Company to effectively advance early-stage assets across several jurisdictions. The internal leadership capability is further supplemented by agreements with leading technical consultants, laboratories, and engineering firms, including Lycopodium Minerals Canada Inc., SGS Canada Inc., Dorfner Anzaplan, DRA Americas Inc., ERM Australia Consultants, NETZSCH Trockenmahltechnik GmbH, Norda Stelo, Transfert Environnement et société, and MetPro Management Inc.

The expertise of Metals Australia's leadership, combined with the technical support of established external parties, strengthens the Company's ability to drive project execution, secure capital, and advance long-term value creation.

Well-funded to Advance Exploration Activities

Metals Australia's diverse projects, multi-commodity exposure, and consistent exploration progress have strengthened its growth outlook and helped the Company secure funding from both the government and investors. In 2025, Metals Australia secured a C$600,000 non-dilutive grant from the Quebec Ministry of Natural Resources and Forests to support metallurgical and process design work at the Lac Carheil Graphite Project (PARIDM Grant). Earlier, the Company raised A$3.5 mn through a flow-through share placement in 2024, following capital raises of A$7.8 mn in 2022 and A$1.5 mn in 2021 to support exploration across its key projects. As of June 30, 2025, Metals Australia maintains a strong cash position of A$8.5 mn, ensuring flexibility to support further exploration activities. In addition, the Company has successfully advanced a grant funding opportunity with the U.S. Department of Defense, under the Defense Industrial Base Consortium (DIBC). The Company's white paper was assessed positively by the DIBC technical review committee and has now moved to grant funding consideration. Other grant funding opportunities are also being pursued by the Company, including in Canada.

Graphite's Strategic Importance in Battery Technology Drives Long-Term Demand

Graphite is a critical material used in the anode of lithium-ion batteries of electric vehicles (EV) and energy storage systems. The demand for high-purity graphite is growing substantially as global EV adoption accelerates and demand for grid-scale storage increases. As no viable substitutes exist for commercial anode use at scale, graphite's strategic importance is expected to strengthen further. The recent surge in merger and acquisition activities, including ExxonMobil's acquisition of Superior Graphite's operations, highlights the growing interest in graphite as a critical material for next-generation energy solutions. Metallurgical testing at the Lac Carheil Graphite Project has achieved battery-grade spherical graphite with 99.99% purity (required purity for battery-grade graphite: >99.95%), positioning the Company to capitalize on the growing demand driven by this global electrification and the energy transition.

U.S. Tariffs and Nearshoring Trends Drive Demand for North American Graphite

Metals Australia stands to gain from evolving trade dynamics and the growing emphasis on critical mineral supply chain security in North America. The U.S. Department of Commerce has proposed tariffs of up to 721%[iii] on Chinese graphite anode materials, with China currently accounting for approximately 95%[iv] of the battery Anode Material supply. Lac Carheil's location within a Tier-1 jurisdiction, combined with its metallurgical profile, positions it as a strategic asset aligned with the U.S. nearshoring objectives.

2. Business Overview

2.1. Background

Metals Australia Limited is a mineral exploration and early-stage development company headquartered in West Perth, Australia. The Company owns and operates four key projects in Canada and Australia, exploring a range of critical, strategic, and precious minerals, such as Graphite, Gold, Silver, and base metals in Canada and Zinc, Copper, Silver, Gold, Vanadium, Titanium, and Iron in Australia. Founded in 1981, the Company is listed on the Australian Securities Exchange (ASX). Following is a brief description of its key projects:

Project	Location	Metals/Minerals	Stage
Lac Carheil Graphite	Quebec, Canada	Graphite	Updated Mineral Resource Estimate Released in August 2025 and PFS is underway
Corvette River	Quebec, Canada (James Bay Region)	Gold, Silver, & Base Metals	Early-stage exploration with multiple field programs completed
Warrego East	Northern Territory, Australia	Copper, Gold & Bismuth	Drilling commenced on 5 key targets
Manindi	Western Australia, Australia	VTM Discovery adjacent to the Zinc-Copper-Silver Mineral resource	Resource drilling of VTM discovery in active planning phase

Flagship Project: The Lac Carheil Graphite Project is the Company's flagship project and the most advanced in the portfolio, located in Quebec, Canada. The Company completed an updated Mineral Resource Estimate (MRE) in August 2025 and is progressing through a Pre-Feasibility Study (PFS), supported by a recently completed drilling campaign and a C$600,000 grant from the Quebec government. The Company is also advancing the design of its Battery Anode Material plant. The Project Economic Assessment is currently underway. In 2024, the Company expanded its landholding more than threefold in Southern Fermont by acquiring an additional 315 highly prospective adjacent claims. These tenements are held under its 100% owned Canadian subsidiary, Northern Resources Inc. (formerly known as Lac Rainy Graphite Inc.). The Company is advancing plans for summer field exploration at these tenements, targeting precious and base metal prospects, in addition to graphite.

Exploration Work: Over the past 12 months, Metals Australia has actively progressed field exploration initiatives. In Canada, the Company undertook resource drilling at its flagship Lac Carheil Graphite Project in Quebec. The Company also completed extensive fieldwork at three target areas within the Corvette River Project, focused on identifying drill targets for gold, silver, and base metals.

In parallel, the Company advanced metallurgical test work on its Manindi Vanadium-Titanium-Magnetite Project in WA. The results from these tests confirmed the potential of commercial viability, and the project is now being prepared for resource drilling as it transitions toward a Project Economic Assessment. The Company is pursuing regulatory approvals for resource drilling at the titanium project, which will lay the groundwork for further technical and economic evaluation.

Capital Allocation Priorities: The Company maintains a robust pipeline of projects and prospects in Canada and Australia. While open to evaluating new opportunities, the Company is not actively pursuing acquisitions at present. Instead, it is prioritizing field exploration and advancement on its existing projects.

2.2. Projects

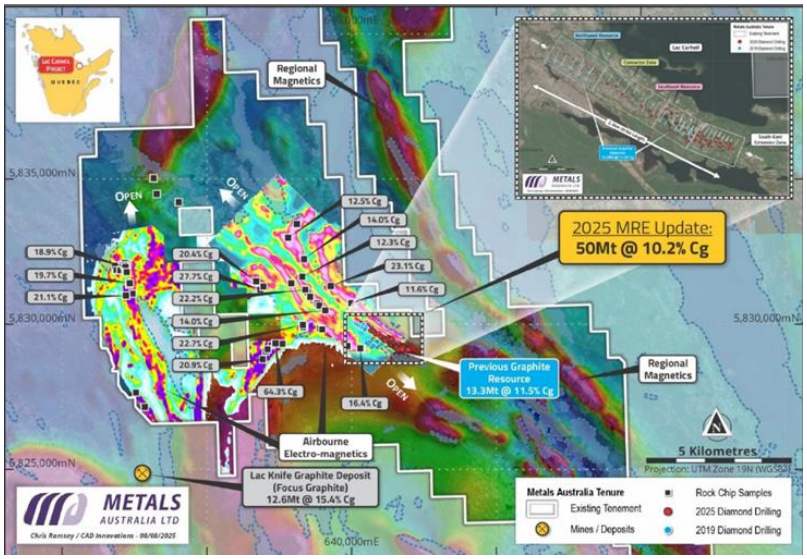
2.2.1. Lac Carheil Graphite Project, Quebec, Canada[v]

Project Overview

The Lac Carheil Graphite Project is Metals Australia's flagship Project, located in eastern Quebec, Canada, within a major graphite province. The project benefits from well-established infrastructure in the region, including hydroelectric power, nearby rail access, and a new highway link under construction to the town of Fermont, just 20km north of the current project area. The project is wholly owned through the Company's Canadian subsidiary, Northern Resources Inc.

The landholding includes 36km of identified graphitic trends that have been mapped and sampled, indicating strong potential for further graphite resource additions. The Company is currently advancing through a comprehensive PFS aimed at producing high-grade flake graphite concentrate, along with evaluating downstream production of spherical graphite for lithium-ion battery applications.

Exhibit 1: 2025 Updated MRE and Exploration Potential



Source: Company Website

Mineral Resources and Geological Upside

Metals Australia engaged ERM Australia Consultants Pty Ltd to deliver an updated MRE for the Lac Carheil Graphite Project in Quebec, Canada, in compliance with the JORC Code (2012) and NI 43-101 standards. The updated MRE is 50.0 Mt @ 10.2% total graphitic carbon (TGC), including 24.8 Mt @ 11.3% TGC indicated resources and 25.2 Mt @ 9.1% TGC inferred resources.

The updated MRE covers a single mapped and sampled graphite trend extending over 2.3km of continuous strike, open in all directions. The project hosts 10 mapped and sampled graphite trends with a total strike length of 36km. The upside potential remains enormous, with nine of ten identified graphite trends yet to be drilled and the tenure area expanded threefold since the original mapping and sampling program.

Exhibit 2: Mineral Resource Estimate

Type	Tonnage (Mt)	TGC	Contained Graphite (Mt)
Inferred Resources	25.2	9.1%	2.3
Indicated Resources	24.8	11.3%	2.8
Total Resources	**50.0**	**10.2%**	**5.1**

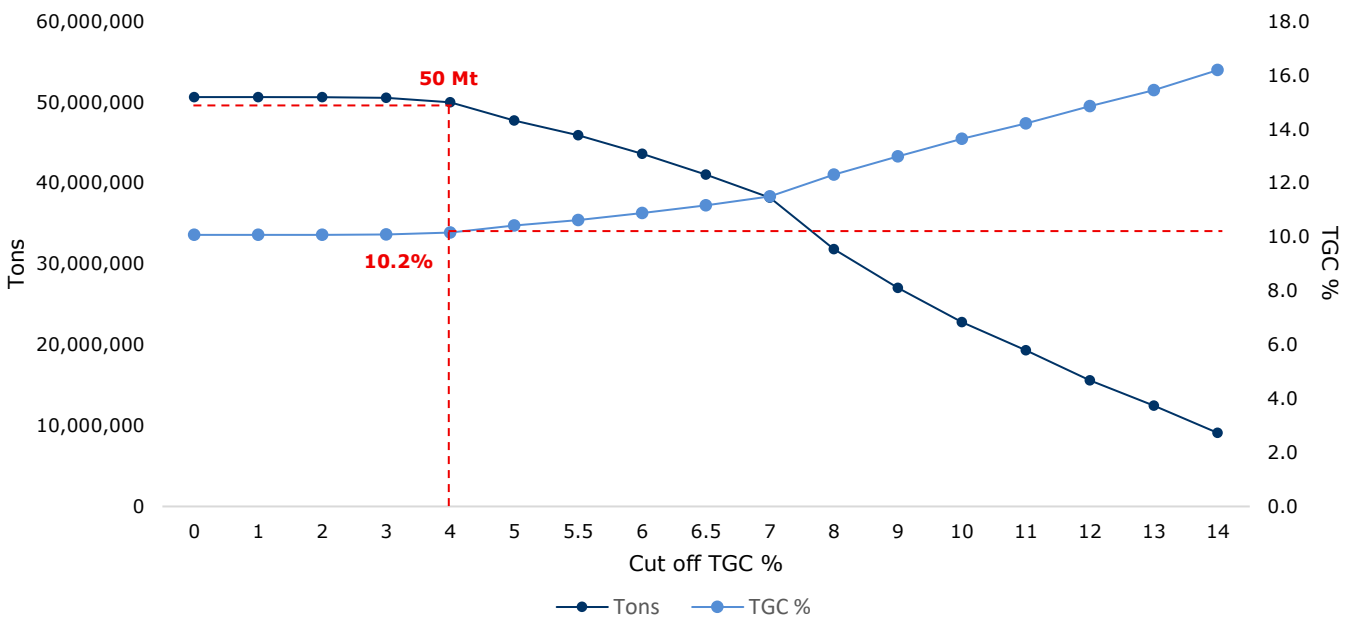
Source: Company Website

The updated MRE shows a significant increase in indicated resources, rising from 1.26 Mt to 2.8 Mt of contained graphite (+121%), while inferred resources grew from 0.27 Mt to 2.3 Mt of contained graphite (+740%) compared to the maiden resource estimate. The indicated resource zones are being prioritized for evaluation within the new mining study led by DRA Americas as part of the PFS. The updated MRE is supported by grade-tonnage analysis, which shows resource

tonnage is largely unaffected at the 4% TGC cut-off. This highlights the flexibility of the deposit to withstand potential price volatility compared to lower-grade projects. The updated MRE was also evaluated for its Reasonable Prospects for Eventual Economic Extraction (RPEEE) test, which confirmed that the entire 50.0 Mt resource lies within a viable open-pit shell.

Recent results reported in August 2025 by the Company from 64 diamond drill holes, totaling 11,792m of NQ drilling, have significantly improved the delineation of mineralization within this zone. The 2025 drilling program confirmed the zone to be much wider than previously modelled and outlined new mineralized horizons in the footwall as well as along both strike directions.

Exhibit 3: The Chart Demonstrates the Robustness of the Mineral Resource Relative to Cut-off Grades



Source: Company Website

This grade-tonnage curve shows how the Lac Carheil resource responds to different cut-off grades. At the reporting cut-off of 4% TGC, the total tonnage remains close to 50 Mt while maintaining a strong average grade of 10.2% TGC. Lower cut-offs, such as 2–3%, add less than 0.6 Mt of extra tonnage and do not improve grade, offering little benefit. By contrast, higher cut-offs above 6% reduce tonnage significantly, even though grades increase. This demonstrates that 4% represents the optimal balance point, capturing nearly the full resource while reporting a high grade.

Exploration outside the defined resource area has also returned highly encouraging results. Sampling conducted on 10 separate graphitic trends across the project yielded 80 rock chip samples, with an average grade exceeding 11% graphitic carbon (Cg). One standout sample returned 64.3% Cg, sourced from the 6km-long West Carheil trend, where multiple samples exceeded 20% Cg and were associated with strong electromagnetic (EM) anomalies.

Pre-Feasibility Study (PFS)

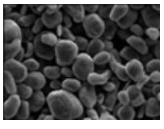
The ongoing PFS for the Lac Carheil Project focuses on optimizing open-pit mining, developing production schedules, and advancing infrastructure planning to support flake graphite concentrate output. The study also assesses downstream processing options for value-added products, including premium spherical graphite for the North American lithium-ion

battery market. Sept-Îles, Quebec, has been selected as the preferred site, and a Project Economic Assessment is underway.

Metals Australia has engaged multiple specialist firms — Norda Stelo, Transfert Environnement et Société (Transfert), DRA Americas, Lycopodium, and Dorfner Anzaplan. DRA Americas is leading the mining study based on the newly upgraded Mineral Resource Model. The scope includes all aspects of open-pit optimization, equipment selection, production scheduling, and mine design, covering geotechnical parameters, extraction sequencing, and preparation of the maiden mineral reserve statement. Design work also includes haul roads, stockpile layouts, and overburden disposal plans, with dry-stack tailings deposition from the process plant under consideration. The study will assess trade-offs between owner-operated and contract mining approaches. As the PFS will follow Canadian NI 43-101 standards, the mining model will focus on the indicated resource (24.8 Mt @ 11.3% TGC for 2.8 Mt of contained graphite) for mining sequencing. Lycopodium is progressing the PFS for the flake-graphite concentrate plant, while DRA is responsible for key site infrastructure, such as the mine maintenance facility, changerooms, crib room, fuel station, and explosive storage. In addition, DRA is conducting a concentrate transportation study to St. Lawrence River ports, including Sept-Îles, while Dorfner Anzaplan is advancing the Project Economic Assessment for the downstream Battery Anode Material plant. Norda Stelo, a Quebec-based engineering and environmental consulting firm, has been engaged to lead all environmental and permitting components of the Lac Carheil Project PFS. The company is responsible for identifying key environmental and social risks, defining permitting and regulatory requirements, and determining the scope of environmental studies for both construction and operations. Norda Stelo will also oversee geochemistry studies to characterize waste rock, ore, and tailings, providing critical input for mine and process plant design. In addition, it will deliver a comprehensive regulatory roadmap that includes timelines, budget forecasts, and submission strategies, ensuring the project can efficiently progress through permitting stages. Transfert is managing stakeholder engagement for the PFS, leading community outreach and consultation activities, many of which are scheduled for October.

In August 2025, Northern Resources was approached by Natural Resources Canada (NRCan) for additional information on its pre-construction phase critical mineral infrastructure funding applications. A key requirement for eligibility is that applicants must have at least completed a project economic assessment and be capable of submitting a finalized NI 43-101-compliant PFS within 12 months of the application date (by June 25, 2026). To meet this, the company and four of its consultants submitted letters confirming their commitment to deliver the PFS by the deadline. The submission also included the updated NI 43-101 Resource Report, which demonstrates a substantial increase in mineral resources for development and outlines the upside to add considerable additional resources on the nine additional graphite trends, when required. With this supplementary information now provided, NRCan will formally review the applications in detail before deciding on potential funding support for the project.

Exhibit 4: Lac Carheil Flake-Graphite to Battery Anode Flow Sheet

Category:	JORC 2012 Mineral Resource	Grinding and Flotation Concentrate	Battery-Grade Spherical Graphite	Electrochemical Test Work
Graphite Grade/ Purity	50.0Mt @ 10.2% Cg	96.3% Cg	99.99% Cg	Lithium-Ion Battery Anode
Product				

Source: Company Website

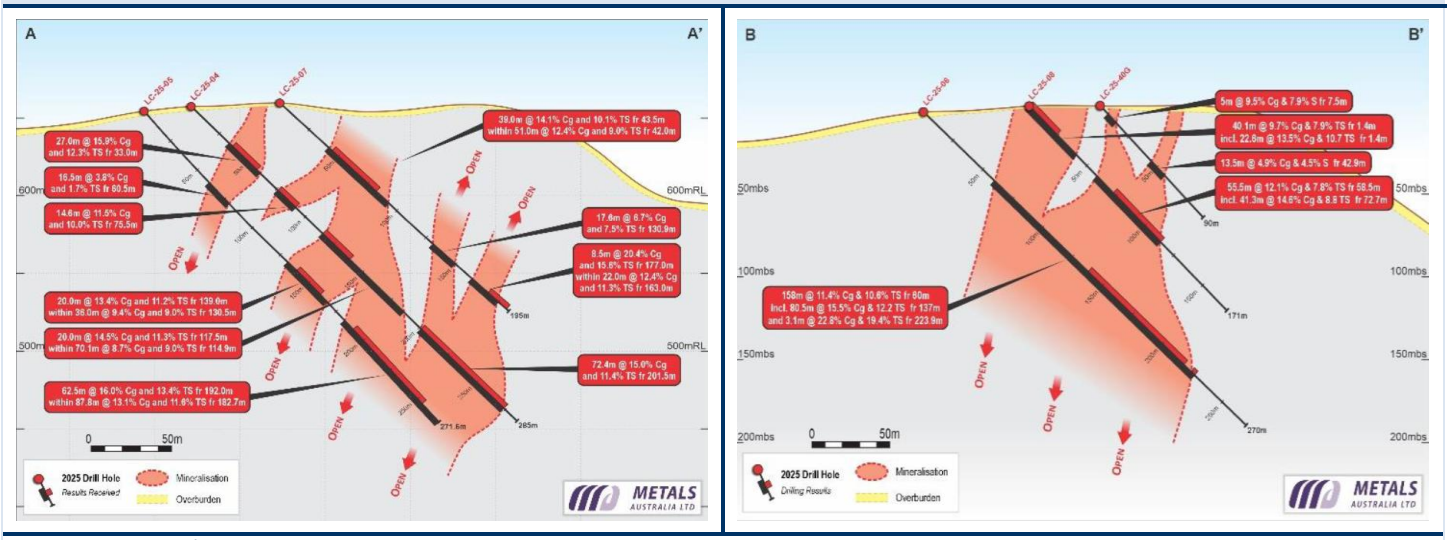
Drilling Program

In 2025, Metals Australia completed a winter drilling program of 9,538m, bringing total drilling at Lac Carheil to approximately 11,800m. The new program has led to the identification of 4,955m of cumulative graphite-bearing core. The drilling program targeted four zones. The Southeast Extension and expanded Southeast Zone account for approximately 94% of the indicated resource, while the Connector Zone and Northwest area contain over half of the inferred resource. Zones hosting indicated resources consistently return graphite grades above 11% TGC.

The Southeast extension includes step-out sections A-A' and B-B', which have returned several high-grade graphite intersections:

- Section A-A' (150m southeast of prior drilling):
  - LC-25-04: 72.4m at 15.0% Cg
  - LC-25-05: 62.5m at 16.0% Cg
  - LC-25-07: 8.5m at 20.4% Cg
  - Combined: 417.3m of mineralization (11.7% Cg average at >3.5% cut-off; 264m at 15.0% Cg at >6.4% cut-off)
- Section B-B' (100m further southeast):
  - LC-25-06: 80.5m at 15.5% Cg from 137.5m
  - LC-25-06: 3.1m at 22.8% Cg from 223.9m
  - LC-25-08: 41.3m at 14.6% Cg from 72.7m
  - Combined: 281.9m of mineralization from 531m drilled (11.6% Cg average at >3.5% cut-off; 149.6m at 15.0% Cg at >6.4% cut-off)
- LC-25-12, drilled 550m southeast of previous zones, intersected 40.3m at 16.1% Cg from 50.8m, further confirming that the mineralized system remains open along strike and at depth.

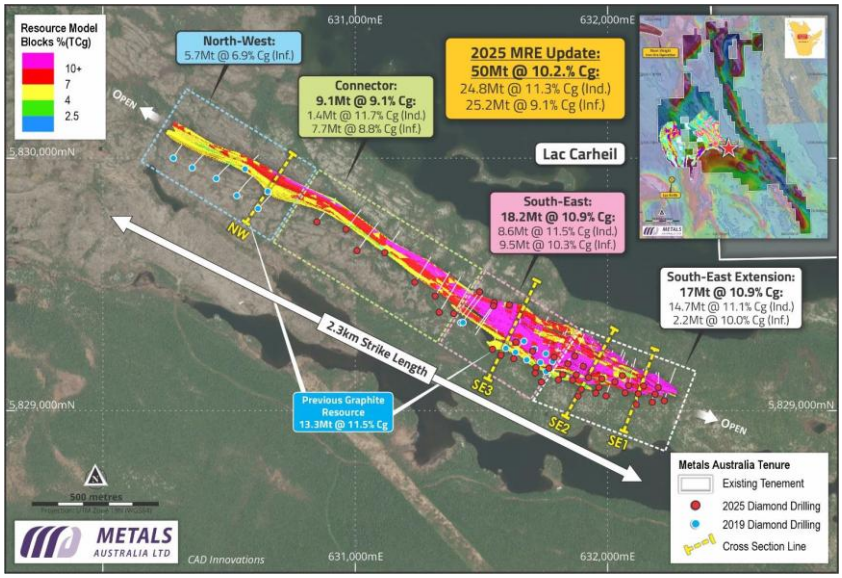
Exhibit 5: Preliminary Mineralization Results from Section A-A' and B-B', which is a Part of the New SE Extension Zone. Black Represents the Graphitic Carbon Intersections, and Red Represents High-Grade Intersections



Source: Company Website

A total of 26 holes were drilled using diamond drilling in the new Southeast extension, totaling 4,884m, with 2,777m of graphite-bearing intercepts, representing a 56.7% success rate. The weighted average grade across these intercepts was 12.4% TGC, above the maiden MRE grade of 11.5% TGC. These results have been incorporated into the updated MRE.

Exhibit 6: The Updated MRE and a Summary of the Indicated and Inferred Mineral Resource Distributed by Zone [SE Extension, SE, Connector & NW zones] Now Continuously Extended Over 2.3km



Source: Company Website

The Southeast extension and the upgraded Southeast resource have emerged as the core of the Lac Carheil project, together accounting for 23.3 Mt of the 24.8 Mt indicated resources. The 2025 drilling program significantly improved geological understanding of these zones, confirming wider and thicker mineralized horizons from surface to depth, with average grades above 10% TGC. Their near-surface geometry and strong grade continuity are expected to support early-stage production in the mine plan. Also, the geometry of these zones suggests lower strip ratios, which should improve project economics by reducing waste movement and increasing operational efficiency. The open zone between the Southeast and Northwest resource areas has been tested with 1,680m of drilling, resulting in 710m of graphite-bearing intervals at a weighted average grade of 9.0% TGC. More than half of the inferred resources are located within the newly defined connector zone and the original Northwest area. Across all zones classified as indicated, graphite grades remain consistently above 11% TGC.

Exhibit 7: Breakdown of the Indicated and Inferred Mineral Resources across the 4 Zones

Resource Zone	JORC Classification	Tonnage (Mt)	Average Graphite Grade (TCG%)	Contained Graphite (Mt)
North-West Resource Zone	Indicated	-	-	-
	Inferred	5.7	6.9	0.4
	Sub-Total	**5.7**	**6.9**	**0.4**
Connector Zone	Indicated	1.41	11.7	0.2
	Inferred	7.7	8.8	0.7
	Sub-Total	**9.1**	**9.2**	**0.8**
South-East Resource Zone	Indicated	8.6	11.5	1.0
	Inferred	9.5	10.3	1.0
	Sub-Total	**18.2**	**10.9**	**2.0**
South-East Extension Zone	Indicated	14.7	11.1	1.6
	Inferred	2.2	10.0	0.2
	Sub-Total	**17.0**	**10.9**	**1.9**
Mineral Resource Estimate	Indicated	24.8	11.3	2.8
	Inferred	25.2	9.1	2.3
Grand Total		**50.0**	**10.2**	**5.1**

Reasonable Prospects for Eventual Economic Extraction (RPEEE) Test

The updated Mineral Resource Estimate (MRE) has been independently assessed for Reasonable Prospects for Eventual Economic Extraction (RPEEE). The review confirmed that the entire 50.0 Mt resource is contained within a single, viable open-pit shell, validating the project's long-term development potential. Of the contained graphite, 55% is classified as indicated and 45% as inferred.

The RPEEE analysis benchmarked assumptions from the 2021 Scoping Study and comparable graphite projects in Quebec. A conservative approach was adopted, retaining pit slope assumptions from 2021 and testing over 90 pit shell scenarios for sensitivity to revenue and cost parameters. Price assumptions were based on feasibility studies of peer projects, while costs were adjusted for inflation and depth-based mining variations, with an assumed selling price of US$1,100 per ton.

Key results highlight stronger fundamentals in the updated resource model. The strip ratio decreased from 5.6 in the Scoping Study to 2.3 under the new resource model, suggesting potential for reduced waste movement and lower operating costs, though this benefit is not captured in current cost modeling. Similarly, metallurgical testing achieved a 96.7% recovery rate (up from 86.3% in the Scoping Study), while in the RPEEE, 93% was applied. The unit operating cost was modeled conservatively at US$515 per ton of concentrate[1].

The 2021 Scoping Study estimated a pre-tax NPV (8%) of US$123.0 million, an Internal Rate of Return (IRR) of 18.9%, and a capital payback period of 3.4 years, with initial capital expenditure projected at US$189.8 million. It also supported a 15-year mine life with annual production of 100,000 tons of high-grade graphite concentrate.

Metallurgical Test Work

The Company has completed an advanced PFS-level metallurgical program in collaboration with SGS Canada Inc., under the guidance of MetPro Management Inc., at their Lakefield Laboratories in Ontario. MLS was able to produce a large concentrate sample as a result of this program. Metallurgical test work has also confirmed a significant improvement in graphite recovery, increasing from 86.3% in the 2021 Scoping Study to 96.7% at a concentrate grade of 95.4% Cg. Final metallurgical test work, covering preferred purification methodology and product recovery, has been advanced with Dorfner ANZAPLAN in Germany as part of the Battery Anode Material Project Economic Assessment. Following is a comparison of the results of the new tests with those from the tests conducted in 2023 by ProGraphite:

- A high yield of 72% (previously 65%) in converting graphite concentrate into battery-grade spherical graphite, significantly above the industry average of approximately 50%, indicating the potential for improved spherical graphite production economics.
- A tap density of 0.99g/cm^3 (previously 0.97 g/cm^3), exceeding the standard benchmark of 0.95 g/cm^3, which supports higher lithium-ion battery capacity.
- A battery-grade spherical Cg purity of 99.99% Fixed Carbon (previously 99.96%) achieved using an environmentally sustainable purification method to reach a premium grade.

With the updated MRE completed, a large representative sample of ore will be taken from the newly defined resource. This will then permit a more extensive metallurgical test work program to advance, utilizing the supportive PARIDM grant from the Quebec Ministry of Natural Resources & Forests. Led by Northern Resources in collaboration with MetPro Management Inc. and SGS Canada Inc. R&D, this stage aims to refine and optimize the process flowsheet in preparation for the upcoming Bankable Feasibility Study (BFS).

[1] *Project costs and economics will be determined by the PFS. The costs here are presented only as estimates for the RPEEE assessment.*

The key components of the program are structured into sequential phases, progressing based on the success of each stage:

- Sample collection – Representative sampling from the revised resource based on the new drilling
- Sample characterization – Evaluation of material properties and graphite quality
- Comminution testing – Optimizing size reduction for efficient product recovery and equipment selection
- Concentration testing – Assessment of screening and separation performance
- Flotation testing – Refinement of the integrated process, including tailings management
- Pilot plant program – Process validation and equipment selection using the bulk sample
- Economic evaluation – Assessment of cost efficiency and flowsheet viability
- Bulk concentrate production – Generation of a sample via the pilot plant to support downstream testing and product qualification by potential offtake partners and end users

The current flowsheet supporting the PFS has been developed through laboratory-scale metallurgical testing conducted at SGS's Lakefield laboratory in Ontario. The program has been led by MetPro Management Inc., a metallurgical consultancy with extensive experience in designing and advancing natural flake graphite projects. The flowsheet is now in the final phases of design and optimization by Lycopodium Minerals Canada Ltd., as the project progresses toward the BFS. The Company has also commenced further test work on spheronization and purification of the concentrate recently produced from the project.

Battery Anode Material Plant

Metals Australia is advancing the development of the downstream Battery Anode Material Plant, associated with the Lac Carheil Graphite Project located in Quebec, Canada. The design phase of the plant is progressing well, supported by substantial advancements in metallurgical testing. The Project Economic Assessment (PEA) / Scoping Study is underway. Furthermore, a preferred site for the facility has been successfully identified.

Initial milling and spheroidization of the graphite concentrate were carried out at the facilities of NETZSCH Trockenmahltechnik GmbH (NETZSCH), a company with extensive expertise in graphite spheroidization and advanced classifier milling technology. NETZSCH applied this technology to the mechanical rounding of the graphite particles, which reduces the milling stages required and consequently lowers layout complexity, maintenance requirements, operating costs, and energy consumption. The purpose of the program was to convert the concentrate into Spherical Graphite (SG) products that could be used in battery applications. The first product produced was a medium to coarse SG product with a median size distribution (D50) of 17 to 19 microns. Fine material generated from the production of the first product was then used to produce a second, finer SG product of 8 to 10 microns (D50). The first product achieved a D50 of 18.4 microns (SG18), while the finer product was optimized at a D50 of 9.6 microns (SG10). The combined products resulted in an overall yield of 72% (conversion of concentrate to SG product). The SG18 product has an excellent tap density (0.99 g/cm^3) against the target (0.95 g/cm^3). The remaining production (28 wt.%) is a micronized, super-fine byproduct that can also be sold into a wide variety of applications in the metallurgical industry. Accordingly, there is no waste stream produced in the Battery Anode Material Plant. Opportunities exist to further optimize milling and spheroidization parameters and enhance product yield. These will be investigated in future phases of the study. Removal of the coarser concentrate fraction would likely yield beneficial results.

The upstream project separates the coarser flake product (+100 Mesh) for use in high-value industrial markets, while the finer concentrate (-100 Mesh) is designated as feedstock for the Battery Anode Material Plant. The finer concentrate represents around 71.1 wt.% resource average. This finer fraction will be targeted for upgrading into purified spherical graphite products. The coarser concentrate, planned for sale into high-value industrial application markets, represents 28.9 wt.% of the concentrate produced. The following exhibit summarizes results from the flake graphite concentrate test work conducted at SGS Lakefield laboratory, which was used to design the flake graphite concentrate plant (or upstream project).

Exhibit 8: Mass Recovery by Size Distribution for Samples from Northwest & Southeast Resource Zones

Size Fraction	Mass Recovery (NW)	Mass Recovery (SE)	Mass Recovery (Total)
+48 Mesh	5.9	6.0	5.9
+100 Mesh	26.6	19.5	23
-100 Mesh	67.5	74.5	71.1
Total Resources	**100**	**100**	**100**

Source: Company Website

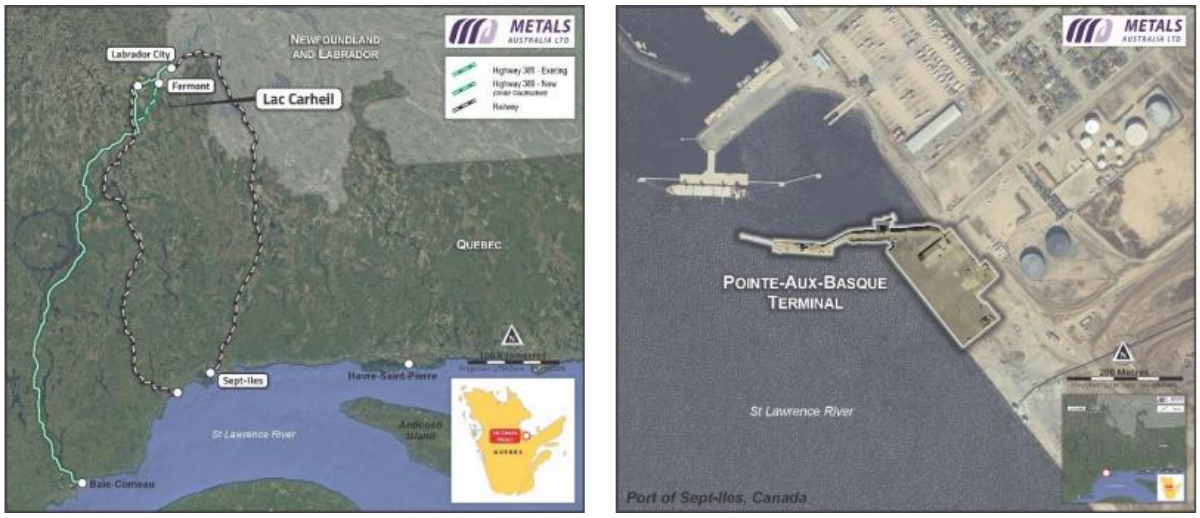
The Battery Anode Material Plant will be designed based on 3 parallel production trains, each of 25 kilo tons per annum (ktpa) processing capacity. The combined process would result in up to 75 ktpa of processing per year, generating up to 54 ktpa (72%) of battery anode material products (SPG 18, SPG 10) and 21 ktpa (28%) of Super fines for alternate industrial markets.

Purification of the SG products was then assessed against a range of processing approaches. The optimized solution for Lac Carheil graphite is HF acid-free and resulted in a Fixed Carbon (FC) grade of 99.99% FC being achieved. This result exceeded earlier test work on a smaller sample of Lac Carheil graphite, in 2023, that delivered a 99.96% result reported on an LOI (Loss on Ignition) basis.

While the metallurgical test work has determined the optimum design parameters for the PEA (Scoping Study), further work is underway to coat the SG product – SG18 – and test its electrical performance properties. This work also includes a sample of the SG18 product sent to Xinde New Material facilities in China. Xinde will further characterize the Spherical natural graphite product prior to the application of high-quality pitch coating that is widely recognized in the market for its stable and reliable performance. Applying pitch coating to natural graphite can significantly enhance its electrochemical performance, including improving initial coulombic efficiency, cycle life, and the overall stability of lithium-ion battery anodes.

Analysis of the carbonized samples will include tap density, compacted density, specific surface area, particle size distribution, ash content, and electrochemical performance testing. Charge-discharge performance, rate capability, and cycling performance of the pitch-coated spherical natural graphite material will all be undertaken. Comparisons will then be made to the performance of our Coated SG product to other products in the market.

Exhibit 9: Connectivity of Sept-Îles



Source: Company Website

The Company has provisionally selected Sept-Îles in Quebec (Seven Islands in French) as its preferred location for a Battery Anode Material Facility. The location will be further assessed in depth during the PEA, to confirm its viability across a wide range of considerations, including transportation & logistics, power allocation, access to skilled workforce & key utilities, accessible industrial land, and social acceptability & community engagement.

Sept-Îles, in Quebec's Côte-Nord region, offers a compelling combination of strategic logistics, reliable renewable power, and accessible industrial land for a battery material processing facility. It is situated on the St Lawrence River, with the deepest water port in Quebec, with direct maritime access to North American and European markets, supported by dedicated mineral terminals and container-handling capacity.

The city is well connected via Highway 389 to Metals Australia's upstream operations and by the Quebec North Shore and Labrador Railway, which offers open-access freight service from Labrador City, only 50 km from the upstream project site. Hydro-Québec's extensive hydroelectric network, supplying 96% of the province's electricity, ensures dependable, low-carbon power, with a formal allocation request to be made during the Preliminary Economic Assessment phase in alignment with Canada's critical minerals strategy. Ample industrial land is available for immediate development and future modular expansion, with siting options that avoid contamination risks, making Sept-Îles a highly competitive and scalable location for long-term growth in the clean energy supply chain.

Mining Research and Innovation (PARIDM) Grant

On March 6, 2025, Metals Australia secured a grant of up to C$600,000 in R&D support to further advance the Lac Carheil Flake Graphite Concentrate Plant design from the Minister of Resources and Forests – Quebec, Canada, under the Mining Research and Innovation Program (PARIDM). The grant will support the Company in advancing future metallurgical design phases for the flake graphite concentrate plant and will help transition the current PFS level flow sheet design to the Bankable Feasibility level. The grant will cover up to 40% of the total applicable costs to cover work outlined in the grant application. The grant funding does not prevent Northern Resources Inc. from securing additional funding, including further grants, to cover all or part of its contribution to the program costs as it progresses.

Canadian Governments Clean Technology Manufacturing (CTM) Investment Tax Credit (ITC)

The Company is evaluating the applicability of Canada's Clean Technology Manufacturing (CTM) Investment Tax Credit (ITC), a refundable credit that supports investments in six priority critical minerals, including graphite extraction and processing. The program also covers equipment such as non-road electric vehicles used in mining operations. The CTM ITC offers a 30% credit rate until December 31, 2031, tapering to zero after December 31, 2034. Metals Australia plans to assess all qualifying capital expenditures, including mining and processing equipment, as well as investments in the downstream Battery Anode Material Plant, to leverage this program for project funding.

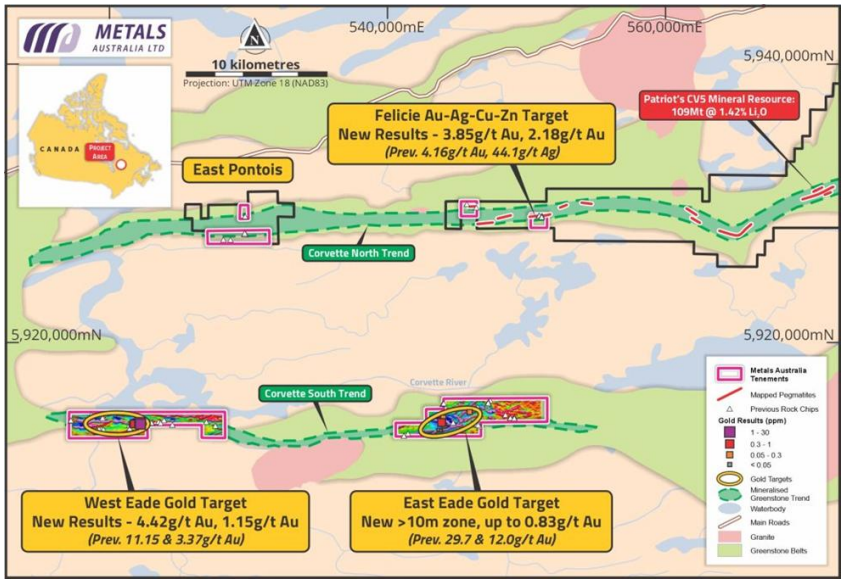
2.2.2. Corvette River Project, James Bay Region, Quebec[vi]

Metals Australia's tenement portfolio in the James Bay lithium region of Quebec, Canada, includes the 100%-owned East Pontois, Felicie, and West Pontois projects, as well as the West and East Eade tenements on the parallel Corvette South Trend. The Company has identified strong gold, silver, and base metals potential across these holdings.

In July 2024, the Company completed a Phase 1 mapping and sampling program across the Corvette River Project, targeting three high-priority zones within a broader landholding that spans over 22km of strike length along the Lac Guyer Greenstone Belt. This belt lies both north and south of the Corvette River.

The Phase 1 mapping and sampling program focused on the Felicie, East Eade, and West Eade areas, where prior sampling indicated the presence of high-grade Gold-Silver-Copper-Zinc mineralization. This program included geological mapping, rock chip sampling, and trenching activities designed to validate historic results and identify new mineralized zones. The Company also carried out drone magnetics across key areas to delineate structural controls associated with mineralization.

Exhibit 10: Corvette River Tenements in the James Bay Region of Quebec



Source: Company Website

Sampling results from each of the target areas are outlined below:

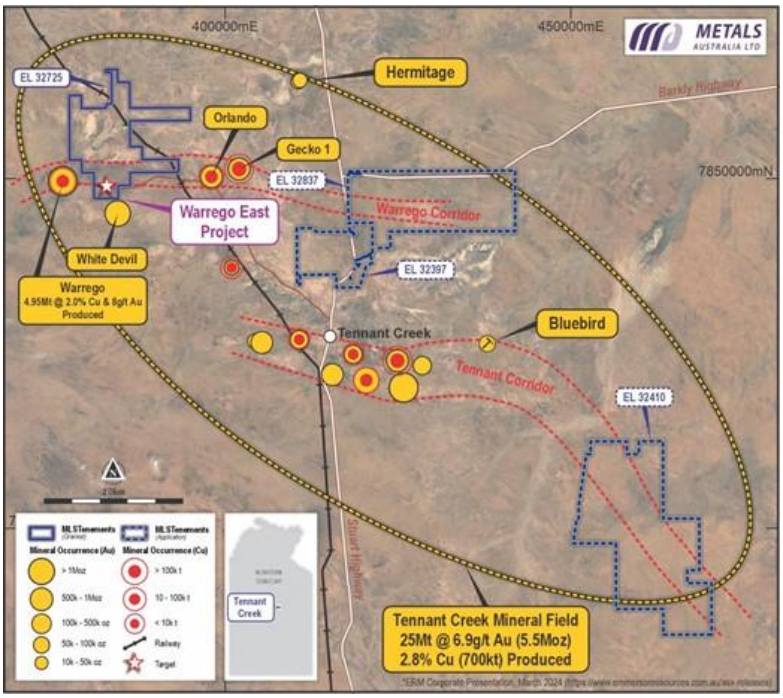
- **Felicie Project:** Recent trench sampling at the western zone returned grades up to 3.85 g/t gold (Au), 19.8 g/t silver (Ag), 0.14% copper (Cu), 0.84% zinc (Zn), and 0.5% lead (Pb). These results correlate well with historical rock chip assays, which included values up to 4.2 g/t Au, 44.1 g/t Ag, 0.23% Cu, 1.25% Zn, and 1.39% Pb. Mineralization is hosted in a Northeast-trending shear zone extending at least 200m and remains open along strike.
- **West Eade Project:** New rock chip samples returned up to 4.42 g/t Au, reinforcing prior gold results of 11.45 g/t and 8.56 g/t (2005), 3.37 g/t (2019), and 2.56–5.5 g/t (2020). Mineralization has been observed within a folded and faulted banded iron formation (BIF) unit up to 300m wide and 2km long, delineating an east-west corridor with >1,000m of confirmed gold-bearing strike. Sampling and mapping have highlighted quartz veining and sulfide content as key geological markers.
- **East Eade Project:** Trench assays confirmed broad zones of gold mineralization, including 1m @ 0.83 g/t within a quartz-sulfide system. The mineralized corridor spans more than 400m and is associated with a 3.6km folded and faulted BIF outcrop. It remains open to the east and west. The zone aligns with prior boulder samples located 160m to the east, which returned grades of 29.7 g/t Au and 12 g/t Au.

Planning is underway for follow-up exploration work aimed at extending known mineralized corridors and refining future drill targets. Priority areas for follow-up include extensions of the Felicie shear zone and the mineralized BIF corridors at East and West Eade. Further geophysical surveys are under consideration to improve drill positioning.

2.2.3. Warrego East Copper-Gold Project, Northern Territory (NT)[vii]

Metals Australia holds an 80% interest in the Warrego East Project, a Copper-Gold-Bismuth exploration opportunity located within the prolific Tennant Creek Mineral Field (TCMF) in the Northern Territory of Australia. The Project includes the granted exploration license EL32725 along with three pending applications EL32397, EL32837 and EL32410, collectively forming a substantial landholding across a highly prospective, underexplored corridor.

Exhibit 11: Location of Tennant Creek Project Tenements and Major Cu-Au Deposits and Targets



Source: Company Website

The TCMF has historically produced 25 Mt @ 6.9 g/t Au and 2.8% Cu, with most production sourced from deposits located in areas with minimal surface outcrop. An exception is the Warrego deposit, which was discovered beneath a shallow cover. Metals Australia's tenements lie along Copper-Gold trends in regions with shallow soil cover that remain untested by modern exploration methods.

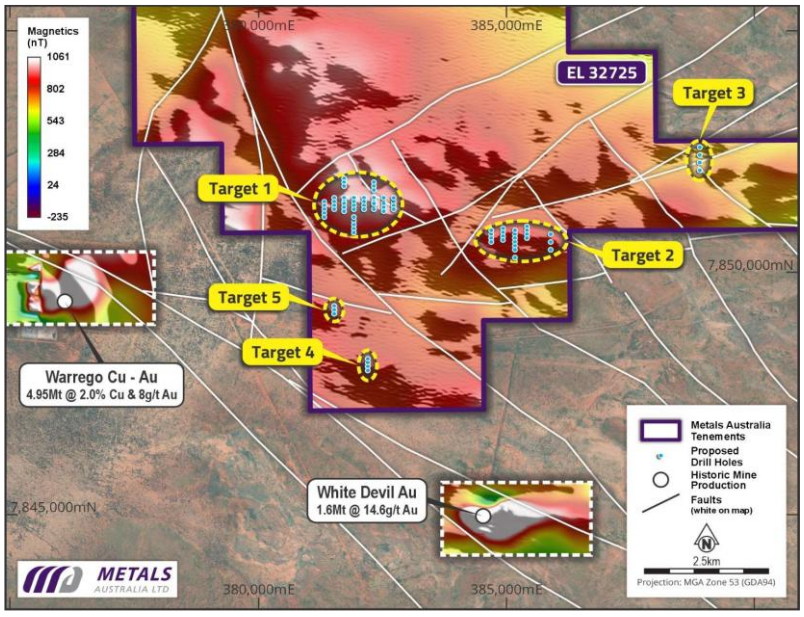
The Warrego East tenement (EL32725) lies immediately east of the high-grade Warrego Copper-Gold deposit that produced 4.75 Mt @ 8 g/t Au, and 2.0% Cu. Warrego East is situated within a major east-west trending fault corridor, interpreted from detailed magnetic data and the Company's gravity survey imagery, linking the Warrego deposit with the Gecko and Orlando Copper-Gold deposits.

The Warrego, Orlando, and Gecko Copper-Gold deposits are linked to subdued magnetic anomalies, which are interpreted to reflect alteration zones containing secondary magnetite or non-magnetic hematite. This structural corridor extends across EL32725. Within this tenement, Metals Australia has reprocessed detailed magnetic data and identified several similar magnetic anomalies. In addition, a previously completed gravity survey highlighted multiple anomalies that partially align with these magnetic features. Together, these magnetic and gravity anomalies define priority targets for Tennant Creek-style, ironstone-hosted Copper-Gold deposits in areas of shallow soil cover that remain untested by drilling.

In 2024, Metals Australia developed and submitted a Mine Management Plan (MMP) to the NT Government, outlining a Phase 1 Aircore drilling program designed to test the high-priority magnetic and gravity anomalies. Approval for the MMP was received in late 2024. The plan also includes provision for a follow-up reverse circulation (RC) or diamond drilling program contingent on positive initial results. In parallel, the Company finalized a land access agreement with the pastoral leaseholder for EL32725, enabling field activities to commence.

Progress was also made on the three license applications through ongoing engagement with indigenous stakeholders. Following meetings in late 2024, granting of the three applications were cleared to advance through the formal approval process. The combination of granted and in-progress tenements provides the Company with a strategic position in a region undergoing renewed interest in Copper-Gold exploration.

Exhibit 12: Total Magnetic Intensity (TMI) with Significant Cu-Au Deposits and MLS Targets



Source: Company Website

New Drilling Program Initiated

Metals Australia has commenced a 3,000m drilling campaign at the Warrego East Project (EL32725) in the NT, targeting five high-priority zones prospective for copper, gold, and bismuth. The program is expected to be concluded by the end of July 2025. All of the targets are prospective for copper, gold, and bismuth and are located in geological settings that are comparable to those of the White Devil Mine and the Warrego Mine. The White Devil Mine is situated directly to the south of the project and produced 1.3Mt at 15.2 g/t gold, and the Warrego Mine is immediately to the west of the project and produced over 4.75 Mt @ 2.0% copper (Cu), 8g/t gold (Au), and 0.3% Bi up until 1989 from underground operations.

The targets are blind, sub-surface anomalies identified through detailed magnetic and gravity surveys, reflecting the typical pipe-like ironstone bodies that hosted significant mineralization across the Tennant Creek Mineral Field. Two targets have been refined using shallow historical drilling that returned geochemically anomalous copper and low-level bismuth patterns like those surrounding the Warrego Number 1 orebody. All five targets lie within the Warramunga Formation, where many major deposits such as Orlando, Ivanhoe, and Gecko were discovered in non-outcropping zones using similar geophysical methods. Recent renewed interest in the Tennant Creek Mineral Field has been driven by strong metal prices and successful transactions, such as Pan African Resources' A$80 million acquisition of Tennant Creek Mining Group. A recently updated Mineral Resource Estimate for White Devil (4.6 Mt @ 4.2 g/t gold for 611,400 oz) further underlines the district's prospectivity, particularly in areas immediately surrounding the Warrego East Project.

2.2.4. Manindi Critical Minerals Project, WA[viii]

Metals Australia holds an 80% interest in the Manindi Project. The project is located 20km southwest of the Youanmi Gold Mine in the Murchison District, which is 500km northeast of Perth in Western Australia. The project includes three granted mining leases, which are mentioned below:

- **Manindi Zinc-Copper-Silver Resources:** A high-grade Zinc-Copper-Silver project with an established MRE of 1.08 Mt grading 6.52% Zn, 0.26% Cu, and 3.19 g/t Ag.
- **Manindi Vanadium-Titanium-Magnetite Discovery:** A high-grade Vanadium-Titanium-Magnetite (VTM) prospect was discovered approximately 2km to the west of the existing Zinc-Copper-Silver resource.

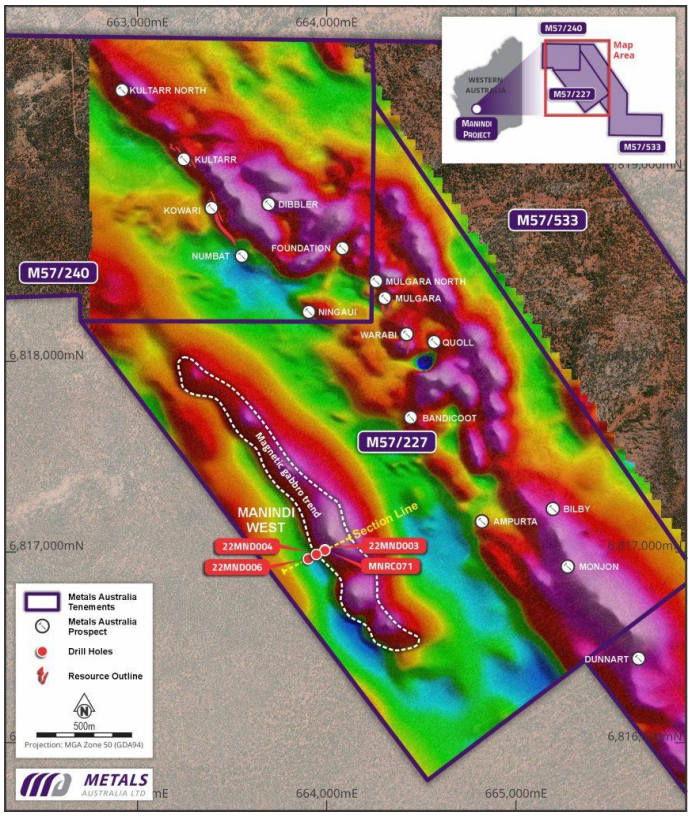
Manindi Zinc-Copper-Silver Resources

Manindi Zinc-Copper-Silver Project contains a JORC-compliant MRE totaling 1.08 Mt grading 6.52% Zn, 0.26% Cu, and 3.19 g/t Ag. The project was largely on hold following a sharp decline in zinc prices during the first half of 2022.

In 2024, the Company commenced a revaluation of the project and a comprehensive review of all available data, including the existing MRE and potential extensions, following the recovery of metal prices and the project's proximity to the high-grade Vanadium-Titanium-Magnetite prospect. This review will be continued throughout 2025. The Company has previously completed and reported down hole electromagnetic work (DHEM) which has identified drill targets at depth including between the known Kultarr and Kowari Resources.

The existing mineral resource base is located within 2km to the east of the nearby high-grade Vanadium-Titanium-Magnetite prospect. The Company is planning to conduct a future scoping study which presents an opportunity to evaluate potential integrated development by advancing both projects concurrently, allowing operational, regional, and processing synergies to be assessed. Additional synergy opportunities will be investigated to determine the most effective strategy to maximize value for both the existing Zn-Cu-Ag resource and the high-grade V-Ti-Fe prospect.

Exhibit 13: Manindi Project Overview, Regional Magnetics, Resource Locations (Red) & Ti-V-Fe discovery



Source: Company Website

Exhibit 14: Manindi Zinc-Copper-Silver Resource Estimate

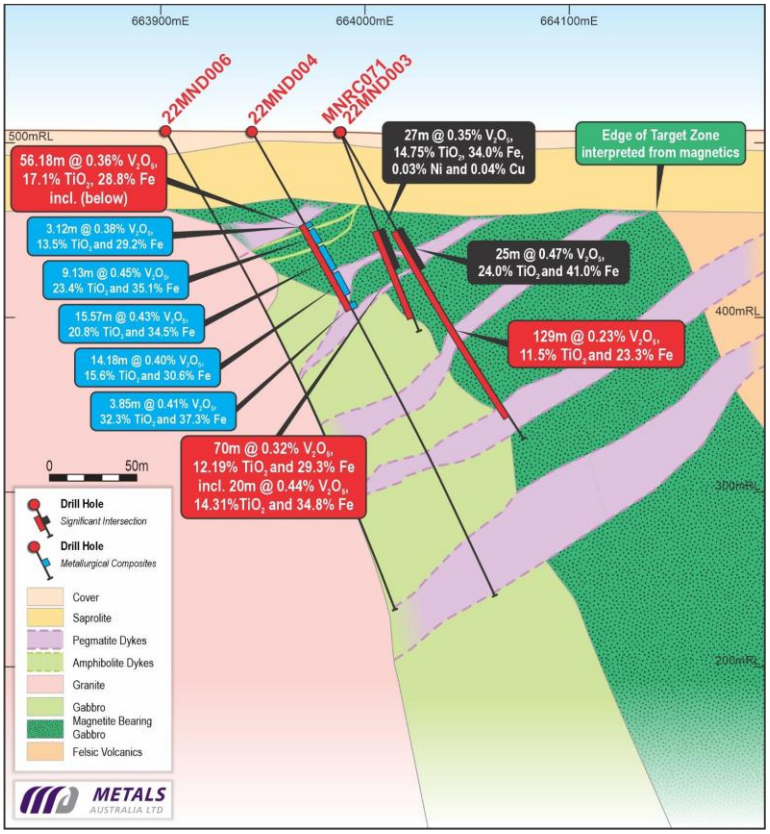
Type	Tons	Zinc	Copper	Silver
Measured Resources	37,697	10.22%	0.39%	6.24 g/t
Inferred Resources	906,690	6.17%	0.25%	2.86 g/t
Indicated Resources	131,472	7.84%	0.32%	4.6 g/t
Total Resources	**1,075,859**	**6.52%**	**0.26%**	**3.19 g/t**

Source: Company Website

Manindi West – Vanadium, Titanium, and Magnetite Project

Manindi West Vanadium-Titanium-Magnetite (VTM) Project is in the Murchison region of WA. The VTM prospect is situated within a 1.5km-long magnetic trend and lies within 2km of the Company's existing high-grade Zinc-Copper-Silver resource, allowing potential synergies in future development scenarios.

Exhibit 15: Manindi VTM Project – X Section Showing the Position of Holes Referenced in the Overview, along with Mineralized Intervals and Grades



Source: Company Website

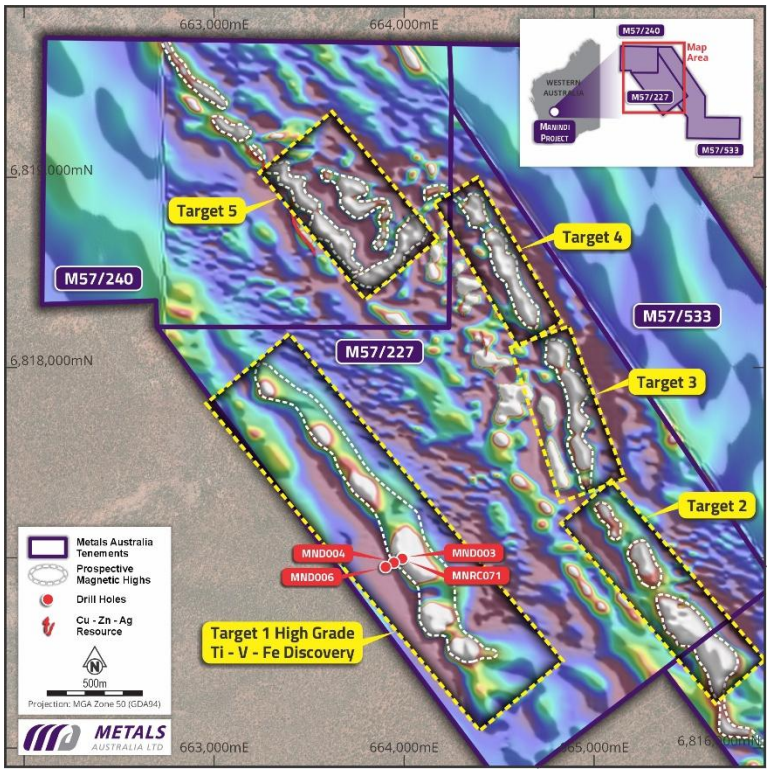
The Company has previously drilled RC hole MNRC071 and 22MND003. The Company has identified a broad Vanadium-Titanium-Magnetite intersection of 70m @ 0.30% V_2O_5 (Vanadium), 28% Fe, 11.5% TiO_2 (Titanium) from 48m including 20m @ 0.44% V_2O_5, 34.8% Fe, 14.3% TiO_2 from 80m by drilling RC hole MNRC071 and a broad intersection of 129m @ 0.23% V_2O_5, 23.3% Fe and 11.5% TiO_2 from 53m downhole by drilling 22MND003. The hole had intersected a broad zone of titanium and vanadium mineralization. This mineralization is already cut by a several narrow biotitic amphibolite dykes and a series of broader pegmatitic and aplitic dykes that are locally rubidium bearing with lesser lithium bearing micas. A 117kg composite sample from hole 22MND004 was prepared and sent to the laboratory where test work has been progressing. The composite sample used for test work was taken from the drilling intercept of 58.18m @ 0.36% V_20_5, 23.4% TiO_2, and 28.8% Fe from 60.55m downhole, incorporating an aggregate intersection of 45.85m @ 20.2%, TiO_2 (12.1% Ti), 0.42% V_2O_5, and 33.3% Fe. The test program was conducted at Nagrom's laboratory in Kelmscott, W.A with client metallurgical oversight provided by Metpro Management Inc. and scanning electron microscopy performed by Microanalysis Australia.

The main aim of the test program was to determine whether the concentrating process can economically generate separate concentrate streams of commercial grade TiO_2 & Fe and a Vanadium-Fe product. Specifically, the testing sought to generate a magnetite grade targeting greater than 60% Fe and > 1% V_2O_5, as well as a titanium-rich ilmenite concentrate targeting > 50% TiO_2 and > 25% Fe.

The results of metallurgical test work have identified two distinct commercial-grade products:

- **Iron-Vanadium Pentoxide Product:** Metallurgical test work has generated a high-grade Iron product with Vanadium credits, produced through conventional crush, grind (45-micron), and a single stage of Low Intensity Magnetic Separation (LIMS). The test involved various grind sizes, specifically 75-, 45-, and 38-micron. While all tested fractions yielded an iron product exceeding 63% Fe content, the 45-micron grind proved optimal and enhanced both the recovery and grade of both iron and vanadium pentoxide. The product recovered 27.1% of the sample mass at grades of 66.0% Fe and 1.19 % V_2O_5 (Vanadium Pentoxide), with very low levels of impurities at 1.8% SiO_2 (Silicon Dioxide), 0.42% AL_2O_3 (Aluminum Oxide), 0.002% P (Phosphorus), and 0.25% Cr (Chromium).

Exhibit 16: Manindi West Project Map indicates lookalike targets to the discovery zone (Target 1), from a high-resolution magnetic survey



Source: Company Website

- **Titanium Oxide-Iron Product:** The second product was initially produced from the Non-Magnetic fraction obtained from the first LIMS processing stage (-45 Micron). This material was further separated using Wet High Gradient Magnetic Separation (WHGMS) 145 magnetic separation. Initially, the process yielded a product with 42.5% TiO_2 and a 31.6% mass recovery. However, 31.7% of the TiO_2 was lost to the Non-Magnetic tailings. To address this, further grinding to 32 microns was performed to better liberate gangue materials, primarily silicates, aiming to improve both TiO_2 grade and recovery. Concurrently, a sample of the -45 Micron Non-Magnetic fraction underwent Scanning Electron Microscopy (SEM) analysis. This analysis aimed to further assess ilmenite liberation and mineralogy. With the optimized finer grind of -32 microns, the second product achieved a higher grade of 43.8% TiO_2 and 32.0% Fe. This also improved TiO_2 recovery to 80.6% within the 38.2% mass recovered into this product fraction.

The combined recovery of these two products exceeded 65% of the original ore sample mass. This demonstrates significant potential for converting ore into saleable products. The recovery process is simple and scalable, using standard crushing, grinding, and magnetic separation stages.

Scanning Electron Microscope (SEM) analysis confirmed that titanium is predominantly contained within ilmenite, while vanadium is almost entirely within magnetite. This analysis also indicated good liberation of ilmenite at 45 microns. SEM analysis of the -45 micron WHGMS magnetic product (Product 2) identified amphibole (16.91%) as the most abundant diluent, with other light minerals like chlorite also present. The sum of these lighter minerals is approximately 20%, representing significant upgrading potential. Gravity separation technologies are being evaluated to significantly enhance the TiO_2 concentration in the ilmenite concentrate.

Exhibit 17: Metallurgical test results from LIMS & WHGMS processing of 22MND004 core sample

Product	SG Mass			Grade %			Distribution %			Notes
	t/bcm	Kg	%	Fe %	TiO_2%	V_2O_5 %	Fe %	TiO_2 %	V_2O_5 %	
Sample		117	100	34.5	20.7	0.45	100	100	100	
Product 1: Fe-V_2O_5	5.02	31.7	27.1	66.0	2.59	1.19	52.2	3.4	73.0	LIMS CL Mag – 45 Micron
Product 2: Fe-TiO_2	4.47	44.6	38.2	32.0	43.8	0.22	35.6	80.6	18.9	WHGMS 145 Scav Mag – 32 Micron
Tails	3.51	40.7	34.8	12.0	9.58	0.10	12.1*	16.1*	8.2*	* Values do not add to 100 due to rounding

Beyond the initial discovery, a comprehensive geophysical data review across the mining leases has identified four additional "look-alike" target zones, situated within 1-2km of the original find. These new targets significantly expand the project's overall potential. To capitalize on this expanded prospectivity, further metallurgical work is planned. This work aims to enhance TiO_2 grades and prepare samples for direct engagement with potential off-take partners and customer testing, crucial for market entry and pricing validation. Concurrently, ongoing high-level economic assessments of both products and processing pathways will support critical development decisions and clarify the project's financial potential. Potential customer interest in the products has been identified.

Metals Australia has prepared and lodged a "Program of Work" (PoW) with the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) to drill both the discovery zone and the newly identified targets. Key next steps include:

- Drilling within the discovery zone, particularly in its southern portion, to deliver an MRE crucial for initiating a scoping study for the project.
- Systematic exploration drilling targeting the four newly identified "look-alike" magnetic anomalies, aiming for further high-grade discoveries, significantly increasing the project's overall resource base.

2.3. Company Premium

Metals Australia's Company Premiums highlight the core strengths that support its growth potential. These include access to potentially highly mineralized graphite projects in North America, a portfolio of diverse critical mineral projects in Canada and Australia, access to capital, and technical partnerships that would help enhance project execution and reduce development risk.

Portfolio of Diverse Critical Mineral Assets in Canada and Australia

Metals Australia Ltd owns a portfolio of diverse critical mineral projects in Canada and Australia, strategically designed to reduce single-commodity risk and align with the global shift toward electrification and decarbonization. In Canada, the flagship Lac Carheil Graphite Project in Quebec hosts high-grade graphite, while the Corvette River Project in the James Bay region offers multi-commodity potential, including Gold, Silver, and base metals. In Australia, the Manindi Project provides exposure to Zinc, Copper, and Vanadium-Titanium-Magnetite mineralization, complemented by the Warrego Project targeting Copper, Gold, and other strategic minerals. This balanced asset base positions the Company well to benefit from structural demand growth across the critical minerals sector.

Well-positioned to Supply Battery-Grade Graphite to North American Markets

Metals Australia Lac Carheil Graphite Project hosts a high-grade resource of 50 Mt @ 10.2% TGC for 5.1 Mt of contained graphite, placing it among the very few projects globally that combine high grade (>9% TGC) with significant contained tonnage (>4 Mt). The U.S. Department of Commerce has proposed tariffs of up to 721%[ix] on Chinese graphite anode material suppliers, with China currently accounting for approximately 95%[x] of the Battery Anode Material supply. Located in Quebec, a Tier 1 jurisdiction with strong federal and provincial support, Lac Carheil is exceptionally well-positioned to contribute to Canada's Critical Minerals Strategy, which targets five graphite mines and five downstream anode facilities by 2040. MLS's Canadian subsidiary, Northern Resources, currently has two CMIF applications under review, further underscoring the project's strategic importance in securing long-term, low-risk supply for EV and energy storage markets.

Access to Capital Facilitating Exploration Activities and Project Growth

Metals Australia holds A$8.5 mn in cash as of June 30, 2025. On March 6, 2025, the Company's Canadian subsidiary, Northern Resources, secured a C$600,000 grant from Quebec's Minister of Resources and Forests to advance the Lac Carheil flake graphite concentrate plant design, covering up to 40% of costs. The Company raised A$3.5 mn in 2023, A$7.8 mn in 2022, A$1.5 mn in 2021, and A$1.8 mn in 2020 through private placements for exploration and development. It is advancing a U.S. Department of Defense grant under the Defense Industrial Base Consortium (DIBC) program, with its white paper positively assessed and now under funding consideration, alongside other Canadian grant opportunities.

Technical and Strategic Partnerships to Support Project Development

Metals Australia strategically leverages a network of technical and strategic partnerships to advance its diverse project portfolio. For its flagship Lac Carheil Graphite Project, DRA Americas has been engaged to lead the mining study component of the PFS, while SGS Canada Inc. Laboratories and Metpro Management Inc. are responsible for metallurgical test work, and Lycopodium Minerals Canada Inc. is designing the concentrate plant and managing the broader PFS. Dorfner ANZAPLAN is advancing downstream purification and Battery Anode Material studies. ERM Australia Consultants was engaged to prepare the MRE for the Lac Carheil Graphite Project in accordance with the JORC Code (2012) and NI 43-101. The Company has engaged Norda Stelo for environmental reviews, Transfert for stakeholder engagement, and NETZSCH for spheroidisation technology. These agreements enhance Metals Australia's technical credibility, accelerate project timelines, and reduce execution risk by leveraging specialized expertise across key development stages.

2.4. Company Risks

Metals Australia is exposed to key risks common to mineral exploration and early-stage development companies, including funding constraints, project execution challenges, regulatory approvals, and global trade uncertainty. Managing these risks is essential to ensure consistent project advancement and value creation.

Exploration and Execution Risk

Metals Australia, like other exploration and early-stage development companies, depends heavily on discovering mineral reserves and establishing the economic viability of production. The capital-intensive nature of exploration activities, especially in the early stages, exposes companies to significant operational risk because the outcomes of these activities are uncertain. Projected grades and quantities are approximations and may not lead to economically viable operations due to factors such as insufficient grade, limited resource size, or fluctuating commodity prices. These challenges can result in project abandonment and the loss of significant drilling investments. Despite these challenges, Metals Australia's portfolio of diverse projects reduces reliance on any single project and mitigates the impact of individual project setbacks.

Financial Risk

Metals Australia is a pre-revenue exploration and early-stage development company that relies entirely on external funding to advance its exploration programs and studies. While the Company maintains a healthy cash balance of A$11.8 mn as of March 2025 and has secured a non-dilutive grant of C$600,000 for the Lac Carheil Graphite Project, the inability to consistently raise further funding, whether through equity or an alternative source, could hinder its exploration and development study efforts. This presents a material risk to financial stability and long-term growth. However, Metals Australia's track record of successful capital raising, government-backed funding support, and growing investor interest in critical minerals provides a strong foundation to mitigate this risk. In addition to this, the Company has already incurred major expenses for early-stage exploration and resource drilling at the Lac Carheil Project.

Regulatory Risk

Metals Australia operates in jurisdictions including Quebec, Canada, and WA/NT, Australia. Regulatory risk involves potential government intervention, such as license loss due to non-compliance with permit obligations or obstruction of exploration activities. Therefore, the Company needs to carefully manage regulatory challenges to minimize the impact of government interventions and ensure ongoing operational success. To its credit, the Company actively engages with the Quebec Ministry of Natural Resources and Forests for permits and complies with local regulations. In December 2024, the Company was awarded an impact exploration permit to conduct drilling on its claims in Quebec. Similarly, in the NT, the Company secured a Mine Management Plan and Land Access Agreement. Effective navigation of these regulatory requirements is essential to maintain project timelines and preserve long-term operational continuity.

Economic Risk

Metals Australia's strategic positioning is shaped by ongoing geopolitical developments, notably, the U.S. Department of Commerce proposed to impose tariffs of up to 721%[xi] on graphite anode materials imported from China. If implemented, these tariffs could shift the competitive landscape by increasing demand for alternative supply sources for graphite in North America. Uncertainty around implementation poses a risk, as continued reliance on Chinese graphite may impact pricing stability and investor confidence. Metals Australia's high resource grade, favorable location in a Tier-1 jurisdiction, and advanced technical progress reduce the impact of global trade uncertainty and strengthen the project's long-term viability.

2.5. Shareholding Pattern

The Company had **731,719,524** shares of common stock issued and outstanding on September 15, 2025. The shareholding pattern is as follows:

Top Shareholders as on September 15, 2025		
Equity Holder	**No. of Ordinary Shares held**	**% of Shareholding**
Kalgoorlie Mine Management (Group)	89,900,000	12.3%
Bolivianos (Group)	48,462,001	6.6%
Kwong Tai Shek	29,761,904	4.1%
Tower Holdings	29,761,904	4.1%
Keith Robert Dewhirst	25,000,000	3.4%
Citicorp Nominees	24,401,852	3.3%
Paul Ferguson (Family)	20,155,620	2.8%
Broadway Computers	14,659,883	2.0%
Others	449,616,360	61.4%
Total	**731,719,524**	**100.0%**

2.6. Listing Information

Metals Australia Limited, headquartered in West Perth, Australia, is listed on the ASX (ASX: MLS).

Head Office	Level 1, 8 Parliament Place, West Perth, WA 6005, Australia
Contact Number	+61 (8) 9481 7833
Website	www.metalsaustralia.com.au
Email Id	info@metalsaustralia.com.au

2.7. Company Milestones

Year	Event
2020	• Identified new high-grade graphite zone through prospecting program at the Lac Carheil Graphite Project, Quebec • Delivered high-grade maiden JORC MRE of 13.3 Mt @ 11.5% TGC at the Lac Carheil Graphite Project, Quebec • Identified and explored numerous Gold-Copper exploration targets at Eade Gold Project, Quebec • Raised A$1.8 mn through private placement for the development of Eade Gold and Lac Carheil Graphite Project • Discovered Pyrite-Chalcopyrite along strike of Felicie Gold Project
2021	• Completed a scoping study confirming sustained annual output of 100,000 tons of graphite concentrate over a projected 15-year mine lifespan • Raised A$1.5 mn to advance exploration of Lithium-Tantalum pegmatite field at Manindi Project • Appointed Mr. Michael Muhling as CFO/Company Secretary
2022	• Appointed Mr. Basil Conti as Non-executive Director • Raised A$7.8 mn through private placement • Completed 3,500m RC drilling program at Manindi Project and reported 68m @ 3.09% Zn intersection, opening the potential to increase high-grade zinc resources substantially • Appointed Ms. Rachelle Domansky as a Non-executive Director • Acquired 80% interest in Payne Gully Gold Pty Ltd, which has a suite of battery and precious metals projects in Australia • Appointed Mr. Alexander Biggs as a Non-executive Director
2023	• Achieved 99.96% Cg spherical graphite purity in metallurgical test work on flake graphite concentrate, indicating a battery charging capacity of 360mAh/g from the Company's Lac Carheil Graphite Project • Appointed Mr. Paul Ferguson as CEO, with effect from January 2024

2024	• Raised A$3.5 mn at a 40% premium through flow-through shares (Provisions under Canadian tax law) to accelerate drilling programs • Secured key project study agreements to drive the Lac Carheil Graphite Project towards development • Received all required permits for the new major trenching and drilling program at Corvette River Project • Appointed Ms. Tanya Newby as CFO • Launched a series of new drilling and exploration programs to test critical minerals and gold targets across the Warrambie, Big Bell North and Corvette River Project. Advanced Warrego East and Lac Carheil Projects to drill ready with all necessary permits granted • Increased land holding at Lac Carheil by 62% to 11,905 hectares by claiming new exploration areas • Commenced drilling at Big Bell North Gold Project, a part of Payne Gully's project, which the Company acquired in 2022
2025	• Awarded grant funding up to C$600,000 in R&D support to further advance the Lac Carheil Flake Graphite concentrate plant design from the Minister of Resources and Forests – Quebec, Canada • Conducted drill sample testing at the Manindi Project, resulting in two high-grade, commercially viable concentrates: Iron-Vanadium and Titanium-Iron • Completed a 9,538m drilling program with results of 72.4m @ 15.0% Cg and 80.5m @ 15.5% Cg and MRE update expected in Q3 2025 • Commenced drilling at Warrego East in the NT, to investigate 5 targets for Copper, Gold, and Bismuth • Announced updated MRE for Lac Carheil Graphite Project with 50.0 Mt @ 10.2% TGC (5.1 Mt contained graphite), including 24.8 Mt @ 11.3% TGC indicated (2.8 Mt) and 25.2 Mt @ 9.1% TGC inferred (2.3 Mt) • Provided an update on the Battery Anode Material Plant linked to the Lac Carheil Graphite Project in Quebec, highlighting positive metallurgical testing outcomes and confirming Sept-Îles, Quebec, as the chosen location for the facility

3. News[xii]

Update on its downstream Battery Anode Material Plant

September 11, 2025

Metals Australia reported an update on the development of its downstream Battery Anode Material Plant linked to its Lac Carheil Graphite Project in Quebec, Canada. The plant's design phase is advancing in parallel with notable achievements in metallurgical testing. Initial processing steps, including milling and spheroidization of graphite concentrate, have been completed. Purification of the SG products was then assessed against a range of processing approaches, which indicated that the optimized solution for Lac Carheil graphite is HF acid-free and resulted in a Fixed Carbon (FC) grade of 99.99% FC. In addition, Sept-Îles, Quebec, has been selected as the preferred location for the facility. The Battery Anode Material Plant is being designed to process 75 ktpa, generating up to 54 ktpa of battery anode material products and 21 ktpa of Super fines for alternate industrial markets.

Metals Australia reports significant expansion of graphite resource at Lac Carheil Graphite Project

August 19, 2025

Metals Australia announced a significant upgrade to the Mineral Resource Estimate (MRE) at the Lac Carheil Graphite Project in Quebec. The updated MRE includes 50.0 Mt @ 10.2% TGC for 5.1 Mt of contained graphite, four times the maiden resource of 13.3 Mt at 11.5% TGC. The new resource covers a 2.3km strike length on just one of ten mapped graphite trends across the project area, leaving nine trends yet to be tested. Metallurgical test work confirmed recoveries of 96.7% at a concentrate grade of 95.4% Cg. The mining study work (part of the PFS) has been awarded to DRA Americas, covering open-pit optimization, mine planning, infrastructure design, and preparation of a maiden Ore Reserve.

Metals Australia set to commence a new drilling program in the Warrego East Project

June 26, 2025

Metals Australia is set to commence a 3,000m drilling campaign at the Warrego East Project (EL32725) in the NT, targeting five high-priority zones prospective for copper, gold, and bismuth. The program is expected to conclude by the end of July 2025. These blind, sub-surface targets lie within the Warramunga Formation and were defined through magnetic and gravity surveys, with two zones refined using shallow historical drilling. The geological setting is situated near high-grade deposits such as the Warrego Mine and the White Devil.

Metals Australia discovers a new extension zone in the 2025 Lac Carheil drilling program

May 23, 2025

Metals Australia's 2025 drilling program at the Lac Carheil Graphite Project resulted in the discovery of a new extension zone southeast of the existing mineral resource base. In section A-A' of the new extension zone, 417.3m (55%) of graphite was intersected from 751m drilled, averaging 11.7% Cg, including 264m at 15.0% Cg. In section B-B' of the new extension zone, 281.9m (53%) of graphite was found from 531m, averaging 11.6% Cg, with 149.6m at 15.0% Cg.

Metallurgical test work results and exploration update at Manindi VTM Project

May 16, 2025

Metals Australia conducted metallurgical test work on drill samples from the Manindi VTM Project, which resulted in two low-impurity products with commercially viable compositions: an Iron-Vanadium concentrate with a composition of 66.0% Fe and 1.19% V_2O_5, and a Titanium-Iron product containing 43.8% TiO_2 and 32.0% Fe. The tests conducted on a sample from drill hole 22MND004 achieved a combined mass recovery of over 65%. The Company has identified four additional nearby target zones through further geophysical reviews. A Program of Work (a plan that outlines the sequence and timeline of the activities for a project) is being prepared to investigate these and define a mineral resource.

Successful completion of the Lac Carheil drilling program

April 10, 2025
Metals Australia has completed 9,482m of new diamond drilling at its Lac Carheil Graphite Project, which commenced in February 2025. This brings the total drilling to approximately 11,800m and confirms graphite continuity over a 2,300m strike length. The program targeted three key zones: a new Southeast extension, the existing Southeastern resource area, and the gap between the Northwest and Southeast zones. Detailed logging confirmed around 4,000m of graphite-bearing core, with total graphite intervals estimated at 4,840m. Sampling and assaying are underway, with an MRE update expected by Q3 2025.

Northern Resources awarded grant funding from the Minister of Resources and Forests, Quebec, Canada

March 6, 2025
Metals Australia has secured up to C$600,000 in grant funding for its Canadian subsidiary, Northern Resources, from the Quebec Ministry of Natural Resources and Forests. This funding will support research and development to further advance the design of the Lac Carheil Flake Graphite concentrate plant. The grant will help finance further detailed investigations into process equipment and metallurgical testing, including pilot plant-scale studies, aimed at developing key components of the Flake Graphite concentrate plant design as it progresses toward the PFS. This work will follow the significant drilling and planned expansion of the Lac Carheil Graphite Project, where representative samples from the updated resource will facilitate the next phase of metallurgical testing.

Drilling permits received for the Lac Carheil Graphite Project

December 23, 2024
Metals Australia has secured permits for winter drilling at its Lac Carheil Graphite Project in Quebec. The upcoming drill program aims to potentially double the existing mineral resource. The project area has been expanded by 234 additional claims, representing a 115% increase in size. Key objectives of the program include extending and connecting known resource areas to support a long-term operation and confirming graphite extensions along the Carheil trend to strengthen confidence in the project's scale and growth potential.

Approvals received for Warrego East and commencement of metallurgical test work in the Manindi Project

December 12, 2024
Metals Australia has secured land access for its Warrego East Project, adjacent to the Warrego Mine. Also, metallurgical test work has commenced in the Manindi VTM Project using a 125 kg representative core sample. The sample, from drill hole 22MND004, includes composited intervals totaling 45.9m, averaging 20.2% TiO_2, 0.42% V_2O_5, and 33.3% Fe, confirming suitability for titanium dioxide, vanadium, and magnetite concentrate production.

New results highlight Corvette River potential

October 17, 2024
Metals Australia announced results from its Phase 1 program at the Corvette River Project in Quebec, targeting Felicie on the Corvette Lithium Trend, which hosts the West and East Eade claims on the parallel Corvette South Trend. Trench samples at Felicie graded up to 3.85 g/t Au and 19.8 g/t Ag, confirming historic results along a 200m shear zone open in both directions. Rock chips from East Eade returned up to 4.42 g/t Au, supporting previous assays across a 1,000m mineralized corridor within banded iron formation. East Eade trench samples showed broad mineralization over 400m with grades above 0.3 g/t Au, including quartz veins linked to higher-grade zones nearby grading up to 29.7 g/t Au.

Drilling to commence at the Big Bell North Gold Project

October 9, 2024
Metals Australia is set to begin a 4,500m Aircore drilling program at its Big Bell North Gold Project in WA's Murchison Gold province. The drilling will target key greenstone-splay faults along strike from the 5 Moz Big Bell Mine and Garden Gully Projects. The Company has identified important fault-hosted gold targets in both the Eastern and Western Zones of the project area through recent aeromagnetic and gravity surveys. Initial drilling will focus on the Eastern Zone, a 9km faulted greenstone corridor similar to the nearby Garden Gully deposit.

4. Management and Governance

Paul Ferguson
Chief Executive Officer

- Over 30 years of experience in the Resources and Energy sectors across North America, Asia, and Australia
- Led the development and operation of a large-scale oil sands mining and refining project during a nine-year tenure with ExxonMobil in Canada. Previously held roles at BHP Iron Ore and Coking Coal, and Mobil Oil Australia across refining, supply, and mining operations
- Served as the President (U.S. operations) & Executive General Manager of Mining and Mineral Processing for GMA Garnet Group
- Holds a Bachelor of Engineering degree in Mining from Federation University Australia and a Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute

Tanya Newby
CFO/Joint Company Secretary

- Over 20 years of experience in finance, governance, and commercial roles, with a strong background in the Resources sector
- Provided financial advice and assistance to publicly listed companies throughout exploration, project development, and production stages
- Holds a Bachelor of Commerce degree from the University of Western Australia; Member of the Institute of Chartered Accountants; Member of the Governance Institute of Australia; Graduate Member of the Australian Institute of Company Directors

Michael Scivolo
Non-Executive Chairman

- Extensive experience in accounting and taxation across both Corporate and Non-corporate sectors; Formerly served as a partner/director of a CPA firm until 2011
- Served on the boards of several ASX-listed mining companies and is currently a Director of Sabre Resources Ltd, Golden Deeps Ltd, and Tennant Minerals Ltd
- Holds a Bachelor of Commerce degree and is a Fellow of the Chartered Professional Accountants (FCPA)

Basil Conti
Non-Executive Director

- Over 25 years of professional experience in the Mining industry; Expertise in management accounting, taxation, corporate advisory, financial planning, and secretarial practice; Provides consulting services to both small and large businesses
- A Fellow of the Institute of Chartered Accountants Australia and New Zealand; Served as a partner/director at a Chartered Accounting firm in West Perth until 2015

Alexander Biggs

Non-Executive Director

- Over 20 years of experience in engineering and mining; Expertise across corporate, operational, consulting, and finance roles, with a focus on capital raising, deal structuring, and commercial strategy
- Serving as a Managing Director of Lightning Minerals; Former Managing Director of Critical Resources; Prior management and operational roles at Venturex Resources, Palisade Capital, and Barrick Gold; Principal-level roles in consulting and advisory services
- Holds a Bachelor of Engineering degree in Mining from the Western Australian School of Mines and a Higher National Certificate in Mechanical Engineering from the University of Greenwich; Member of the Australasian Institute of Mining and Metallurgy (MAusIMM)

Rachelle Domansky

Non-Executive Director

- Over 20 years of experience as an ESG specialist and consultant psychologist; Expertise in ESG, mining and sustainability law, media and marketing, human resources development and management, corporate culture, and education and training
- Serving as a Non-Executive Director at Metals Australia Ltd, Laryotto Resources, Hillgrove Mines Pty Ltd, and Quebec Lithium Ltd
- Holds a Bachelor of Arts, Bachelor of Applied Science with Honours, Master of Education, and Diploma in Environmental, Social and Governance; Member of the Australian Psychological Society (MAPS), the Australian Society of Hypnosis (MASH), and the Australian Institute of Company Directors (MAICD)

5. Industry Analysis

5.1. Global Mining Industry[xiii]

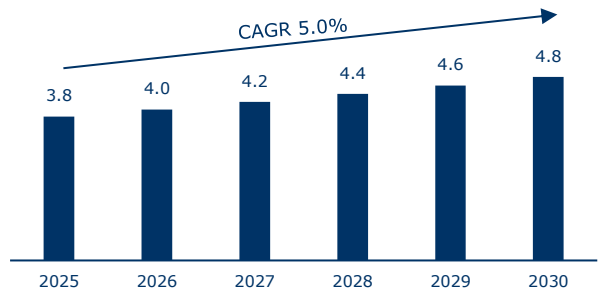
The Mining industry comprises companies engaged in the extraction of minerals, metals, and other valuable resources, as well as those providing essential support services for these operations. In recent years, the industry has experienced robust growth, with the global market size estimated at US$2.4 tn in 2025. This positive trend is expected to continue, with the market projected to reach US$3.0 tn by 2029, reflecting a compound annual growth rate (CAGR) of 5.7%. The Mining industry is transforming to meet the rising demand for essential materials in EV, agriculture, construction, and power infrastructure, while also addressing climate and geopolitical challenges, making the industry a crucial part of economic growth.

5.2. Graphite

Graphite is a versatile, naturally occurring mineral known for its unique combination of physical and chemical properties. It comes in two main forms: natural graphite, mined from metamorphic rocks, and synthetic graphite, produced through high-temperature processing of carbon-rich materials. Natural graphite is extracted using either open-pit or underground mining methods, depending on the depth and grade of the ore deposit. After extraction, the ore undergoes crushing, grinding, flotation, and chemical purification to achieve the desired purity and particle size[xiv]. Both forms offer excellent electrical and thermal conductivity, high chemical resistance, and stability at extreme temperatures (melting at around 3,927°C). The demand for both natural and synthetic graphite is increasing rapidly, driven majorly by the accelerating global shift toward cleaner energy and advanced industrial applications.

The Global Graphite market size is estimated at US$3.8 bn in 2025, and is expected to reach US$4.8 bn by 2030, at a CAGR of 5.0% during the forecast period[xv]. The global graphite market valuation includes the total revenue generated from the sale of natural and synthetic graphite used across various industries. This covers the value of processed graphite supplied for applications in batteries, steelmaking, automotive parts, electronics, and industrial refractories. It reflects the commercial sale of graphite in different forms, such as flakes, powders, and graphite electrodes. The valuation represents end-user demand rather than production volume or investment in mining infrastructure or technology development.

Exhibit 18: Graphite Market Size (in US$ bn)



Source: Global Graphite Market, Mordor Intelligence

Exhibit 19: Prices of Natural and Synthetic Graphite (May 2025) – A$/t

	Natural Graphite[xvi]	Synthetic Graphite[xvii]
North America	2,012.4	4,430.4
Europe	2,433.6	3,790.8
Northeast Asia	3,198.0	3,822.0
Africa	873.6	N/A
South America	3,057.6	N/A

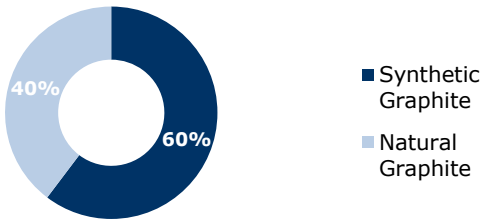
Note: The conversion rate used is 1 US$ = 1.56 A$
Source: Natural Graphite Price Index (Business Analytiq), Synthetic Graphite Price Index (Business Analytiq)

5.2.1. Types of Graphite[xviii]

Synthetic Graphite

Synthetic graphite is produced by high-temperature treatment of carbon-rich materials like petroleum coke or coal tar pitch in an energy intensive industrial process known as graphitization. It accounted for 60.3% market share in 2024, primarily due to ease of access of by-products from the Oil and Gas Industry and less stringent environmental regulations in countries where it is predominantly produced. Synthetic graphite offers high conductivity and consistency in quality due to its intensive thermal processing. These features make it a preferred material for applications like electrodes for electric arc furnaces (EAF) in steel manufacturing and lithium-ion batteries used in EVs. On the other hand, the process of producing synthetic graphite is comparatively more energy and emission intensive, considering the use of fossil fuels as a feedstock.

Exhibit 20: Market Share by Type (2024)



Source: Global Graphite Market, Mordor Intelligence

Natural Graphite

Natural graphite has become increasingly important as an alternate for or additive with synthetic graphite, especially in production of lithium-ion battery anodes. The demand for natural graphite is increasing as the anode producers are looking to optimize costs and battery performance with various blends of materials. This growth is further supported by its lower environmental footprint compared to synthetic graphite and its expanding applications in green technologies. It also plays a crucial role in thermal stability applications like heat-resistant brake linings. China remains the dominant producer, with new supply sources in Africa and South America expanding to meet global demand, while Canada is also advancing supplies from high-grade deposits. Stringent environmental regulations on mining activities have been limiting the expansion of natural graphite production, particularly in China and Europe, leading to supply concerns and continued interests in biomass-derived synthetic graphite.

5.2.2. Segment Analysis[xix]

Application	Description
Electrodes and Metallurgy	The demand for graphite electrodes is driven by their critical role in EAF and ladle furnaces used in steelmaking and metal processing. High-purity electrodes conduct electricity and require frequent replacement, ensuring continuous demand despite their small share in steel production costs. Growth in demand for graphite is further supported by rising global investments in steel production facilities and the industry's shift toward cleaner production methods.
Batteries, Electric Vehicles, and Energy Storage Systems	Graphite is a key component in the anodes of lithium-ion batteries used in EV and energy storage systems. Consumption of graphite has significantly accelerated as the demand for lithium-ion batteries is increasing due to the higher rate of EV adoption. This trend is further supported by government policies and increased investment in battery manufacturing across key markets such as China, the U.S., and Europe, where EV battery demand has increased by over 80% in some regions.
Refractories, Lubricants, and Foundries	Graphite is used in refractories for manufacturing bricks, crucibles, and linings for furnaces and ladles, in the steel and metallurgical industries due to its thermal stability and chemical

	resistance. In foundries, it is used in molds and casting applications to improve surface finish and reduce defects in components for automotive, machinery, and heavy industries. Graphite's natural lubricity, heat resistance, and chemical resistance also make it valuable in industrial lubricants used in heavy machinery and high-temperature environments.
Electronics and Other Industrial Applications	Demand for graphite in the electronics segment is increasing due to its growing use in consumer electronics, portable devices, and energy storage systems. It also plays a key role in semiconductor manufacturing, thermal management, and various electronic components. Beyond electronics, graphite is used in nuclear energy, aerospace, fuel cells, and solar technologies, supporting long-term demand across advanced industrial applications.

5.2.3. Geographical Landscape

Global Graphite Supply Overview[xx]

The Global Natural Graphite supply is dominated by China, the leading producer of natural graphite, contributing 78.0% of global output in 2024. It also holds the largest reserves of graphite, positioning the country as a critical player in meeting global demand. Countries such as Brazil, Mozambique, Madagascar, and Tanzania are emerging as prominent suppliers of graphite. These regions are attracting investment and development due to their untapped reserves and potential to support the growing global supply chain. Efforts are underway to diversify production, establish processing infrastructure, and increase production capacity outside of China to ensure long-term supply security.

Exhibit 21: Country-wise Natural Graphite Production and Reserve Statistics (2024)[xxi]

Country	Production (in 000s)	% of Total Production	Reserves (in 000s)	% of Total Reserves
China	1,270.0	77.90%	81,000.0	27.90%
Madagascar	89.0	5.50%	27,000.0	9.30%
Mozambique	75.0	4.60%	25,000.0	8.60%
Brazil	68.0	4.20%	74,000.0	25.50%
India	27.8	1.70%	8,600.0	3.00%
Tanzania	25.0	1.50%	18,000.0	6.20%
Canada	20.0	1.20%	5,900.0	2.00%
Russia	20.0	1.20%	14,000.0	4.80%
South Korea	9.6	0.60%	1,800.0	0.60%
North Korea	8.1	0.50%	2,000.0	0.70%
Others	18.2	1.10%	32,700.0	11.30%
World Total	**1,630.7**	**100.00%**	**290,000.0**	**100.00%**

Note: Production and Reserves figures are in Metric Tons
Source: Mineral Commodity Summaries 2025, U.S. Geological Survey

Global Graphite Demand Overview

The global demand for graphite is growing rapidly, driven by the rising use of EV, batteries, and renewable energy technologies. The Asia-Pacific region leads the market, with China as the top producer and consumer, supported by its strong battery, steel, and electronics industries. India is becoming an important market due to its expanding electronics sector and government support for EV and battery production. Japan and South Korea also play a key role in battery manufacturing. In North America, the United States is leading the graphite market, with heavy investments in EV and battery factories. The country is focused on building local supply chains and reducing reliance on imports. Europe is also

seeing strong growth, especially in Germany, where the automotive industry is investing in EV and battery technology. In the Middle East and Africa, Saudi Arabia and South Africa are emerging as key players due to significant industrial and energy investments. In South America, Brazil is the largest and fastest-growing market, driven by its steel industry and growing electronics manufacturing sector.

Exhibit 22: Global Graphite Demand Overview

Source: Global Graphite Market, Mordor Intelligence

5.2.4. Key Trends and Drivers in the Graphite Market

Explosive Growth Driven by Increase in Lithium-Ion Battery Demand[xxii]

The increasing use of lithium-ion batteries is a key driver for graphite demand, with graphite serving as an essential material in battery production, particularly as the primary component of battery anodes. The increasing adoption of EV and energy storage systems has created unprecedented demand for lithium-ion batteries, consequently driving battery graphite consumption. In 2024, global battery demand in the energy sector, including EV and storage systems, reached 1 TWh. Automotive lithium-ion battery demand rose by 26.7%, from 750 GWh in 2023 to 950 GWh in 2024, driven by strong electric passenger car sales. EV battery demand grew over 30.0% in China and 20.0% in the U.S., while the European Union remained flat. EV battery demand is expected to surpass 3 TWh by 2030. The surge is fueled by record-breaking EV sales and global decarbonization efforts.

Strategic Acquisitions Highlight Rising Graphite Market Potential[xxiii]

Growing EV adoption and energy storage demand have resulted in an increased interest in the graphite market, prompting major players to invest in both natural and synthetic graphite capacity. ExxonMobil's acquisition of Superior Graphite's North American assets and technology, along with select international offices, adds long-standing industry knowledge and production processes that are more energy- and land-efficient with higher throughput. This positions

ExxonMobil to scale synthetic graphite production in North America, strengthen regional supply security, and meet rising battery anode demand while reducing reliance on Asian supply chains.

Increase in Steel Production in Asia and the Middle East[xxiv]

The expansion of steel production capacity, especially in Asia and the Middle East, is another key driver of graphite demand, given its critical role in steel manufacturing processes. Graphite electrodes are vital components in EAF and ladle furnaces, accounting for 2-3% of the total steel production costs. The material's unique capability to withstand extremely high temperatures of up to 1600°C and its high electrical conductivity make it irreplaceable in EAF steelmaking. In addition to steel, the Aluminum industry also supports the graphite demand. The expansion of steel production capabilities in Asia and the Middle East has been particularly noteworthy, with significant investments in new facilities and infrastructure projects.

Energy Generation Expands Graphite Adoption for Sustainable and High-Temperature Applications[xxv]

Graphite demand is rising in the energy generation sector due to its essential role in nuclear reactors, solar energy, and hydrogen fuel cells, driven by its high thermal, chemical, and radiation resistance. As global efforts intensify toward carbon-free energy, graphite is increasingly utilized in hydrogen production, supercapacitors, and advanced thermal management systems. Additionally, solar thermal plants are integrating graphite for improved energy storage and efficiency. The clean energy transition is boosting demand for graphite, supported by advancements in thermal battery technology and other sustainable energy applications.

5.2.5. Restraints[xxvi]

Environmental Regulations and Sustainability Concerns

Environmental concerns related to graphite mining and processing pose significant challenges to market growth. Natural graphite extraction can result in habitat destruction, dust emissions, and contamination of water sources. In contrast, graphite production involves energy-intensive processes like graphitization that emit greenhouse gases and industrial pollutants. The growing global emphasis on sustainability has led to stricter regulatory frameworks, increased operational costs, and compliance complexities for graphite producers. Moreover, the future growth of synthetic graphite remains linked to the declining carbon-intensive sectors such as coal mining and the oil and gas industry.

Competitive Pressure from Emerging Alternative Materials

The Graphite industry faces increasing competition from alternative materials, especially within the rapidly expanding battery sector. Emerging silicon-based and other advanced anode technologies offer the potential for higher energy densities and faster charging capabilities. Although these alternatives are currently in early development or initial commercialization stages, their ability to outperform graphite in specific applications presents a significant long-term competitive risk. To maintain market leadership, graphite producers must prioritize ongoing innovation and cost optimization to enhance product quality and remain the preferred material amid evolving technological advancements.

Price Fluctuations and Supply Chain Volatility

The Graphite market faces significant challenges and supply chain risks due to its heavy reliance on concentrated production, primarily in China. This concentration creates geopolitical and trade-related uncertainties, especially for Western markets. Events such as political tensions, export restrictions, or disruptions like the COVID-19 pandemic have underscored these vulnerabilities, causing price volatility and supply inconsistencies. Growing global demand, especially from the battery and refractory industries, has led major economies to impose higher export duties and implement tighter export controls to secure domestic supply, which further restrains industry growth.

6. Financial Analysis

6.1. Income Statement

Income Statement– Historical

(All figures are in A$000s)	2022	2023	2024
Revenue			
Interest earned	2	587	758
Gain on sale of tenement	-	70	-
Other income	-	-	34
Gain on sale of shares	-	-	-
Deposit	40	-	-
Total Revenue	**42**	**657**	**792**
YoY Growth %	*590.5%*	*1,457.3%*	*20.4%*
Expenses			
Change in fair value of investments	-	(38)	(15)
Key management personnel remuneration	(78)	(55)	(213)
Management fees	(290)	(317)	(330)
ASX listing fees	(85)	(69)	(73)
Professional fees	(224)	(261)	(324)
Exploration and evaluation expenditure written off	-	-	-
Impairment of receivables	(94)	-	-
Share-based payments	(1,379)	(602)	(176)
Canadian bank fraud	(57)	-	-
Other expenses	(49)	(125)	(200)
Total Expenses	**(2,256)**	**(1,466)**	**(1,329)**
% of Revenue	*-5,345.8%*	*-223.0%*	*-167.9%*
Profit (Loss) before Income Tax	**(2,214)**	**(809)**	**(538)**
% of Revenue	*-5,245.8%*	*-123.0%*	*-67.9%*
Income tax expense (benefit)	-	-	-
Net Profit (Loss)	**(2,214)**	**(809)**	**(538)**
% of Revenue	*-5,245.8%*	*-123.0%*	*-67.9%*

Income Statement – Projected

(All figures are in A$000s)	2025	2026	2027	2028	2029
Revenue	**0**	**0**	**0**	**0**	**0**
YoY Growth %	-	-	-	-	-
COGS and Operating Expenses	**(953)**	**(973)**	**(1,012)**	**(1,085)**	**(1,219)**
% of Revenue	-	-	-	-	-
EBIT	**(953)**	**(973)**	**(1,012)**	**(1,085)**	**(1,219)**
% of Revenue	-	-	-	-	-
Net Profit (Loss)	**(953)**	**(973)**	**(1,012)**	**(1,085)**	**(1,219)**
% of Revenue	-	-	-	-	-

(All figures are in A$000s)	2030	2031	2032	2033	2054
Revenue	**184,097**	**185,724**	**187,453**	**189,198**	**229,837**
YoY Growth %	-	*0.9%*	*0.9%*	*0.9%*	*0.9%*
COGS and Operating Expenses	**(88,417)**	**(91,915)**	**(95,397)**	**(98,850)**	**(192,628)**
% of Revenue	*-48.0%*	*-49.5%*	*-50.9%*	*-52.2%*	*-83.8%*
EBIT	**83,627**	**81,842**	**80,089**	**78,381**	**25,242**
% of Revenue	*45.4%*	*44.1%*	*42.7%*	*41.4%*	*11.0%*
Net Profit (Loss)	**48,675**	**43,026**	**42,035**	**41,080**	**14,683**
% of Revenue	*26.5%*	*23.2%*	*22.4%*	*21.7%*	*6.4%*

6.2. Balance Sheet

Balance Sheet – Historical

(All figures are in A$000s)	2022	2023	2024
Assets			
Current Assets			
Cash & Cash Equivalents	19,064	15,921	17,352
Trade and Other Receivables	321	336	316
Financial Assets	72	35	20
Prepayment	4	4	4
Payne Gully Deposit	1,920	-	-
Total Current Assets	**21,382**	**16,296**	**17,693**
Non-Current Assets			
Exploration and Evaluation Expenditure	9,384	17,864	19,477
Total Non-Current Assets	**9,384**	**17,864**	**19,477**
Total Assets	**30,766**	**34,160**	**37,170**
Liabilities & Equity			
Liabilities			
Current Liabilities			
Trade and Other Payables	255	144	308
Provisions	-	-	10
Share Premium Liability	-	-	967
Total Current Liabilities	**255**	**144**	**1,285**
Non-Current Liabilities			
Provisions	-	-	7
Total Non-Current Liabilities	**-**	**-**	**7**
Total Liabilities	**255**	**144**	**1,292**
Equity			
Issued Capital	58,140	60,733	63,203
Share Option Reserve	1,432	1,689	178
Accumulated Profits (Losses)	(29,250)	(30,005)	(29,032)
Foreign Currency Translation Reserve	264	322	252
Non-controlling Interest	(76)	1,277	1,277
Total Equity	**30,511**	**34,016**	**35,877**
Total Liabilities & Equity	**30,766**	**34,160**	**37,170**

Balance Sheet – Projected (1/2)

(All figures are in A$000s)	2025	2026	2027	2028	2029
Assets					
Current Assets					
Cash & Cash Equivalents	16,564	15,594	14,589	14,541	17,544
Trade and Other Receivables	-	-	-	-	-
Financial Assets	20	20	20	20	20
Prepayment	4	4	4	4	4
Payne Gully Deposit	-	-	-	-	-
Total Current Assets	**16,588**	**15,618**	**14,613**	**14,565**	**17,569**
Non-Current Assets					
Exploration and Evaluation Expenditure	19,477	19,477	46,048	125,761	299,171
Total Non-Current Assets	**19,477**	**19,477**	**46,048**	**125,761**	**299,171**
Total Assets	**36,065**	**35,095**	**60,661**	**140,326**	**316,740**
Liabilities & Equity					
Liabilities					
Current Liabilities					
Trade and Other Payables	157	160	166	178	200
Provisions	10	10	10	10	10
Share Premium Liability	967	967	967	967	967
Total Current Liabilities	**1,134**	**1,137**	**1,143**	**1,155**	**1,177**
Non-Current Liabilities					
Provisions	7	7	7	7	7
Debt	-	-	10,246	42,008	113,076
Total Non-Current Liabilities	**7**	**7**	**10,253**	**42,015**	**113,083**
Total Liabilities	**1,141**	**1,144**	**11,396**	**43,170**	**114,261**
Equity					
Issued Capital	63,203	63,203	79,528	128,503	235,047
Share Option Reserve	178	178	178	178	178
Accumulated Profits (Losses)	(29,985)	(30,959)	(31,970)	(33,055)	(34,274)
Foreign Currency Translation Reserve	252	252	252	252	252
Non-controlling Interest	1,277	1,277	1,277	1,277	1,277
Total Equity	**34,924**	**33,951**	**49,264**	**97,155**	**202,479**
Total Liabilities & Equity	**36,065**	**35,095**	**60,661**	**140,326**	**316,740**

Balance Sheet – Projected (2/2)

(All figures are in A$000s)	2030	2031	2032	2033	2054
Assets					
Current Assets					
Cash & Cash Equivalents	45,998	99,878	152,635	204,288	1,071,572
Trade and Other Receivables	45,373	45,795	46,221	46,652	56,672
Financial Assets	20	20	20	20	20
Prepayment	4	4	4	4	4
Payne Gully Deposit	-	-	-	-	-
Total Current Assets	**91,395**	**145,697**	**198,881**	**250,964**	**1,128,269**
Non-Current Assets					
Exploration and Evaluation Expenditure	287,204	275,237	263,271	251,304	-
Total Non-Current Assets	**287,204**	**275,237**	**263,271**	**251,304**	**-**
Total Assets	**378,599**	**420,935**	**462,151**	**502,268**	**1,128,269**
Liabilities & Equity					
Liabilities					
Current Liabilities					
Trade and Other Payables	14,534	15,109	15,682	16,249	31,665
Provisions	10	10	10	10	10
Share Premium Liability	967	967	967	967	967
Total Current Liabilities	**15,511**	**16,086**	**16,659**	**17,226**	**32,642**
Non-Current Liabilities					
Provisions	7	7	7	7	7
Debt	111,926	110,662	109,270	107,740	-
Total Non-Current Liabilities	**111,934**	**110,669**	**109,278**	**107,747**	**7**
Total Liabilities	**127,445**	**126,755**	**125,936**	**124,974**	**32,649**
Equity					
Issued Capital	235,047	235,047	235,047	235,047	235,047
Share Option Reserve	178	178	178	178	178
Accumulated Profits (Losses)	14,401	57,426	99,462	140,541	858,866
Foreign Currency Translation Reserve	252	252	252	252	252
Non-controlling Interest	1,277	1,277	1,277	1,277	1,277
Total Equity	**251,154**	**294,180**	**336,215**	**377,294**	**1,095,619**
Total Liabilities & Equity	**378,599**	**420,935**	**462,151**	**502,268**	**1,128,269**

See important disclosures on page 47 of this report.

7. Valuation

Equity Value of Metals Australia Ltd stands between **A$52.2 mn and A$63.8 mn**

Equity Value per share for Metals Australia Ltd stands between **A$0.071 and A$0.087**

7.1. Valuation Summary

Case	Variance	Equity Value (A$000s)	Price Per Share (A$)
Downside Case	-10%	52,226	0.071
Base Case	0%	58,029	0.079
Upside Case	10%	63,831	0.087

SOTP Valuation (By Commodity)	Equity Value (A$000s)	Price Per Share (A$)
Valuation for Graphite Resources	53,959	0.074
Valuation for Zinc Resources (Comparable Analysis)	3,322	0.005
Valuation for Copper Resources (Comparable Analysis)	652	0.001
Valuation for Silver Resources (Comparable Analysis)	96	0.000
Total	**58,029**	**0.079**

Valuation for Graphite Resources	Weight (%)	Implied Equity Value (A$000s)	Implied Share Price (A$)
Comparable Company Analysis	50%	54,238	0.074
DCF Valuation	50%	53,679	0.073
Weighted Average Equity Value	**100%**	**53,959**	**0.074**

7.2. Relative Valuation Method

Company Name	Weighted Average Graphite Grade (%)	Location	EV (A$000s) / Contained Graphite* (kt)	EV (A$000s) / Contained Graphite** (kt)	EV/Book Value of Exploration and Evaluation Assets
Metals Australia Ltd	**11.5%**	**Canada**	**NM**	**NM**	**NM**
Nouveau Monde Graphite Inc.	8.82%	Canda	20.27	-	5.62
Lincoln Minerals Ltd	7.57%	Australia	15.57	-	2.72
Graphite One Inc.	4.39%	United States	7.65	-	1.32
Renascor Resources Ltd	6.90%	Australia	6.12	-	1.00
Buxton Resources Ltd	10.80%	Australia	4.14	4.14	8.00
International Graphite Ltd	8.70%	Australia	3.68	3.68	0.63
Median			**6.89**	**3.91**	**2.02**
Mean without outliers			**9.57**	**3.91**	**2.67**
Weighted mean without outliers			**8.87**	**3.94**	**2.62**

*Notes: * This multiple includes all competitors from our peer set that report inferred, indicated, or measured resources.*
*** This multiple includes only those competitors from our peer set that report inferred and indicated resources, consistent with Metals Australia.*

The Weighted Average Graphite Grade (in the above table) for each company has been calculated by considering all the projects of the respective companies. Within each project, Measured, Indicated, and Inferred resource categories have been included, using the reported tonnage and graphite carbon grade. A weighted average has then been applied across all categories and projects to arrive at a single consolidated grade that reflects the company's total reported graphite resource base.

Relative Valuation based on:	Weights	Multiple	Implied Enterprise Value (A$000s)	Implied Equity Value (A$000s)	Implied Share Price (A$)
EV/Contained Graphite (All Competitors) (kt)	33.3%	8.87	45,198	58,831	0.080
EV/Contained Graphite (Selected Competitors) (kt)	33.3%	3.94	20,059	33,692	0.046
EV/Book Value of Exploration and Evaluation Asset	33.3%	2.62	56,553	70,186	0.096
Weighted Average	**100.0%**		**40,605**	**54,238**	**0.074**

Company Name	Equity Value (A$000s) / Contained Zinc Resources (kt)
Metals Australia Ltd	**NM**
Silver Mines Ltd	429.78
QMines Ltd	415.62
Argent Minerals Ltd	73.22
Variscan Mines Ltd	28.01
Auking Mining Ltd	15.33
Median	**73.22**
Mean without outliers	**50.61**
Weighted mean without outliers	**47.38**

Company Name	Equity Value (A$000s) / Contained Copper Resources (kt)
Metals Australia Ltd	**NM**
Revolver Resources Holdings Ltd	1,396.89
New Frontier Minerals Ltd	953.56
QMines Ltd	230.18
Auking Mining Ltd	46.90
Alma Metals Ltd	17.55
Median	**230.18**
Mean without outliers	**230.18**
Weighted mean without outliers	**230.18**

Company Name	Equity Value (A$000s) / Contained Silver Resources (kt)
Metals Australia Ltd	**NM**
QMines Ltd	286,834.40
Silver Mined Ltd	54,280.87
Auking Mining Ltd	16,543.02
Argent Minerals Ltd	14,831.49
Median	**35,411.95**
Mean without outliers	**28,551.80**
Weighted mean without outliers	**27,919.76**

7.3. Discounted Cash Flow (DCF) Valuation Method

- **Valuation Methodology:** The Arrowhead fair valuation of Metals Australia is based on the Discounted Cash Flow (DCF) analysis of the Company's investment in the Lac Carheil Graphite Project.
- **Time Horizon:** The time period chosen is based on the production reserves available for the assets under MLS. The period chosen for valuation is 29 years (2025 – 2054).
- **Terminal Value:** Terminal Value is considered to be zero as the production reserves are depleted by the end of FY 2054.

The following table calculates the cost of equity for MLS. The expected return on the market is assumed for the broader market. We have additionally assumed a company-specific risk to account for the risk involved in bringing the graphite mine into the production stage, along with a size risk due to MLS being a small early-stage exploration company.

Cost of Equity

Valuation	
Risk-free rate (Rf)	4.41%
Beta	1.44
Equity Risk Premium	4.33%
Size Risk	3.00%
Additional Company-specific Risk	2.00%
Cost of Equity	**15.66%**

The following tables summarize the Free Cash Flow to Equity computation for MLS, which is subsequently discounted at the Cost of Equity.

(All figures are in A$000s)	2025	2026	2027	2028	2029
Tax Adjusted Net Income	(953)	(973)	(1,012)	(1,085)	(1,219)
Add: Depreciation and Amortization	-	-	-	-	-
Less: Increase in Net Working Capital	165	3	6	12	22
Less: Capital Expenditure	-	-	(32,650)	(97,951)	(213,087)
Add: Increase in Net Borrowings	-	-	10,246	30,737	66,867
Add: CTM ITC Refund	-	-	6,079	18,238	39,676
Free Cash Flow to Equity	**(788)**	**(970)**	**(17,330)**	**(50,048)**	**(107,740)**
Present Value of FCFE	**(788)**	**(839)**	**(12,955)**	**(32,346)**	**(60,203)**

(All figures are in A$000s)	2030	2031	2032	2033	2054
Tax Adjusted Net Income	48,675	43,026	42,035	41,080	14,683
Add: Depreciation and Amortization	11,967	11,967	11,967	11,967	11,967
Less: Increase in Net Working Capital	(31,039)	153	146	137	4,550
Less: Capital Expenditure	-	-	-	-	-
Add: Increase in Net Borrowings	(1,150)	(1,265)	(1,391)	(1,530)	(11,325)
Add: CTM ITC Refund	-	-	-	-	-
Free Cash Flow to Equity	**28,453**	**53,880**	**52,757**	**51,653**	**19,875**
Present Value of FCFE	**13,746**	**22,506**	**19,053**	**16,128**	**292**

(All figures in A$ thousands)

Valuation	
Equity Value as on 06/30/2025	**52,036**
Equity Value as on 09/16/2025	**53,679**
Number of Shares Outstanding (in thousands)	731,720
Value per Share (A$)	**0.073**

The equity value of the Company is sensitive to the cost of equity. The following table captures the sensitivity of MLS's Value to these assumptions.

(All figures in A$ thousands)

Cost of Equity	Equity Value
8.00%	218,859
10.00%	155,582
12.00%	109,449
14.00%	75,354
15.66%	**53,679**
17.00%	39,568
19.00%	22,784

Important Information on Arrowhead Methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent, depending on the sub-sectors in which the research is conducted. But all Arrowhead valuation research possesses an underlying set of common principles and a generally common quantitative process.

With Arrowhead's commercial and technical due diligence, Arrowhead researches the fundamentals, assets, and liabilities of a Company, and builds estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance, such as price/earnings ratios, indicated as applicable, are mainly for reference. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

We have presented a Comparable Company Analysis on which the fair value bracket is built.

Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analyses, such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a valuation tool.

In principle, an investor comfortable with the high brackets of our key variable analysis will align with the high bracket in the Arrowhead Fair Value Bracket, and, likewise, in terms of low estimates. The investor will also note the Company's intangibles to analyze the strengths and weaknesses, and other essential Company information. These intangibles serve as supplementary decision factors for adding or subtracting a premium in an investor’s analysis.

The bracket should be taken as a tool by Arrowhead BID for the reader of this report, and the reader should not solely rely on this information to make their decision on any particular security. The reader must also understand that while on the one hand global capital markets contain inefficiencies, especially in terms of information, on the other, corporations and their commercial and technical positions evolve rapidly. This present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months).

8. Analyst Certifications

I, Karan Mehta, certify that all the views expressed in this research report accurately reflect my personal views about the subject security and the subject Company, based on the collection and analysis of public information and public Company disclosures.

I, Sahil Rustagi, certify that all the views expressed in this research report accurately reflect my personal views about the subject security and the subject Company, based on the collection and analysis of public information and public Company disclosures.

Important disclosures

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Any opinion expressed in this report is statements of Arrowhead BID's judgment to this date and are subject to change without notice.

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9. Notes and References

[i] Source: ASX as on September 16, 2025.
[ii] Source: ASX as on September 16, 2025.
[iii] Global News Wire: U.S. Department of Commerce to Place Up to 721% Tariffs on Chinese Graphite
[iv] IEA Global Critical Minerals Outlook 2025: Beyond NMC batteries: Supply chain issues for emerging battery technologies
[v] Source: Company Website
[vi] Source: Company Website
[vii] Source: Company Website
[viii] Source: Company Website
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