PITT STREET RESEARCH

# Temas Resources Corp

## Unique Mineral Processing Technology (RCL)

**Share Price: A$0.145**

**ASX: TIO/CNSX:TMAS**

**Sector: Materials and Mining**

**25 March 2026**

Temas Resources (ASX:TIO) is a recently ASX-listed technology and titanium play – joining the ASX in October 2025, but first listed on the Canadian Securities Exchange in 2020. Temas has a potentially breakthrough processing technology (Regenerative Chloride Leach or RCL) that can better recover metals from hard-to-process or complex ore, compared to other approaches.

### We see upside to $1.28 initially and $3.96 in a bull case

We see short-term upside to at least $1.28 per ordinary share (i.e. both ASX CDIs & Canadian shares). This is a Sum-Of-The-Part valuation with $0.84 attributed to RCL – we created an early-stage valuation of the RCL technology based on a single commercial deployment – and $0.44 to La Blache.

Looking further ahead, we think investors can look to the subsequent success of Metallium and other peers such as IperionX as to what could be possible in the medium to longer term if Temas can make the same progress by signing commercial arrangements, building a larger scale commercial pilot plant and bringing it online. Please see page 34 for the key risks associated with an investment in Temas.

### Temas has potential with RCL, both in-house and externally

RCL has undergone extensive testing showing that it can significantly reduce the time and money involved in production, specifically by up to 65% than would otherwise be the case. Temas has already processed approximately one ton of material using the RCL process, yielding 88 kgs of a 99.8% pure TiO2 product, suitable for commercial sale.

Temas also has 2 critical metals projects in Quebec (La Blache & Lac Brule), where RCL can be deployed and improve the already spectacular economic potential. RCL will also be employed at other companies' projects. La Blache is the more advanced, with over 47,500m of prior drilling. A March 2024 Preliminary Economic Assessment (PEA) showed a C$6.6bn post tax NPV on an 8% discount rate and a >60% IRR.

### 2026 will be a major year for Temas

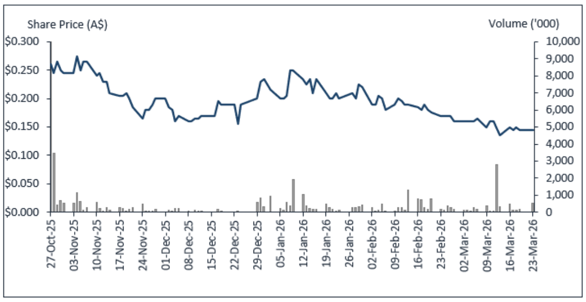
Temas is aggressively pursuing commercial arrangements for its RCL technology and has received interest from several international mining and mineral exploration companies. Temas will also continue exploration at La Blache with up to 40,000 metres of assays targeting vanadium, gallium and scandium. Initial drilling results are positive, and further results are expected throughout 2026. Temas also will release an updated PEA for La Blache including historic resources (including Measured & Indicated Resources) not in the 2024 PEA.

| | |
|---|---|
| Value of CDIs (A$ m) | 8.6 |
| # AUD CDIs outstanding (m) | 55.0 |
| Total Market cap. (A$ m) | 14.2 |
| # Total shares[1] outstanding (m) | 97.8 |
| # shares fully diluted (m) | 112.6 |
| Market cap ful. dil. (A$ m) | 18.6 |
| ASX float | 51% |
| 52-week high/low (A$) | 0.275 / 0.14 |
| Avg. 12M daily volume ('1000) | 452.3 |
| Website | temasresources.com |

*Source: Company, Pitt Street Research*

[1] *Includes ASX CDIs, CSE shares (1 CDI = 1 share)*

**Share price (A$) and avg. daily volume (k, r.h.s.)**




*Source: Refinitiv Eikon, Pitt Street Research*

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*Disclosure: Pitt Street Research directors own shares in TIO*

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## The Key reasons to look at Temas

1) **Temas is an up-and-coming gold and critical metals recovery play.** Temas has its unique Regenerative Chloride Leach (RCL) technology that can make a significant difference to the world's critical metals supply. There is potential for RCL to be deployed against several critical metals including gold, vanadium, gallium, scandium, rare earths and nickel, among others. Temas also has two critical mineral projects in Canada (La Blache and Lac Brule) which can serve as 'testbeds' for the technology and are lucrative deposits in their own right.
2) **Having both its own projects and technology makes Temas stand out from its peers.** Even if (hypothetically) newer technology was not applied to Temas' projects, we see significant upside potential in them and indeed a Scoping Study of La Blache has shown this. Applying RCL to these projects could further enhance their appeal given the co-product cost offsets and carbon footprint reductions.
3) **Temas' RCL technology can extract metals more efficiently and with lower environmental impact than traditional methods**. RCL has demonstrated the capability to produce high-purity titanium dioxide with significant cost reductions (up to ~65% lower) and a reduced carbon footprint vs conventional processing. It is a highly efficient digestion platform that renders all dissolved value metals into high purity end products in substantially fewer process steps than conventional process flows currently in use.
4) **RCL technology could make a significant difference to the entire metals processing industry and its stakeholders**. For Temas has significant health and safety advantages, greatly reduced environmental impacts and costs less time and money compared to other processing methods. For consumers of the end products (whether electric vehicles, electronics, building materials, batteries, defence applications or aerospace uses), they can obtain more optimally priced products, not just lower cost products but potentially even products with more features and/or a better performance (in terms of density, durability and other similar measures).
5) **RCL has shown strong potential in testing to date**. Temas has undertaken bench, mini-pilot and full pilot plant tests with RCL. The latter of these involved the processing of 830kg of material from La Blache. The testing yielded 80-85% recovery of titanium (and 95% recovery of iron) whilst only having 0.23% contaminants. Temas expects future testing to yield an even more premium product (specifically >99% iron) suitable for high-end pigment or battery grade material utilisation.
6) **This is an opportune time for critical metals,** in part because of defence spending increases. The market for titanium alloys is already nearly US$10bn, but this is expected to grow as Western governments invest in newer generation technologies and onshore their supply chains, paying a premium to do so. Other metals including vanadium, gallium and scandium.
7) **Temas also has its own critical metal projects (La Blache and Lac Brule) with significant upside to be realised.** Even though Temas is a metals processing technology play first, it has two titanium, vanadium, gallium and scandium projects in Quebec that could serve as test beds for the technology and be lucrative in their own right.

   The 2024 PEA for La Blache found an NPV of over C$6bn based on an Inferred Resources of 208.5 million tonnes grading 16.7% $TiO_2$. This was only based off one prospect at the project, not counting potential resources at other prospects, let alone for other potential critical minerals, including vanadium, gallium and scandium. Drilling in 2025, the results of which were released earlier in March 2026 showed impressive results which confirmed thick, high-grade massive oxide mineralisation as well as gallium, scandium and chromium associated with the known vanadium, titanium and iron mineralisation. This specific style of mineralisation is well-aligned with RCL. Temas plans an updated PEA which includes further prospects not in the initial PEA that is in the higher Measured and Indicated categories.

Turning to Lac Brule, although there is no formal Resource, it has been subject to historical metallurgical bench tests that achieved >90% titanium, vanadium and iron recoveries; as well as over 10,000m of prior drilling which intersected two high-grade mineralised lenses. Temas plans to continue exploration of these projects with the next step being a PEA for Lac Brule in 2026.

8) **There are plenty of upside catalysts coming in 2026**. This includes licensing and joint venture opportunities with other companies for RCL and the results of exploration activity at its La Blache and Lac Brule projects, particularly work to upgrade La Blache's current Inferred Resource to Measured and/or Indicated. Looking further ahead, the company is eyeing off licensing and other partnerships which would inevitably be upside catalysts and be a likely source of non-dilutive funding. Investors should look to the Letter of Intent signed back in February with Canadian private mineral developer 1542642 BC Ltd as a sign of what could be to come later this year. A revised PEA for La Blache will be major as well. This will include Measured Resources at other prospects at the project which were not included in the original PEA.
9) **Temas has a quality leadership team** with several decades of commercial experience between its members and a proven track record in creating substantial shareholder value. We particularly note David Caldwell who was Co-founder of Black Rock Metals where he identified the Lac Dore layered complex as having potential and established a full feasibility for a $1.3bn construction project with the best vanadium grades of any North American project; and Kobi Ben-Shabat who has been a founding shareholder and leader behind Metallium.
10) **There is significant upside potential to be realised.** In our view, investors can look to companies such as Metallium (ASX: MTM) and IperionX (ASX: IPX) – among others; that metals recovery technology companies can create significant shareholder value. We have valued Temas at $1.28 per share in a base case and $3.96 in an optimistic case, based on a SOTP valuation of the company. We have valued the RCL opportunity staged probability-of-success NPV approach and a high discount rate. As for La Blache, we undertook our own modelling of the project and attributed % of NPV to the project. Our valuation could be conservative as it only models titanium and does not account for further upside that could come from RCL. It is too early to ascribe any specific Lac Brule in absence of a resource or any scoping or feasibility study, but it would not be unreasonable to expect re-rating if the company's exploration at Lac Brule is successful.

## Why Titanium, Vanadium, Gallium and Scandium?

*Titanium is one of the few metals where there is no trade-off between strength and being 'light weight'.*

Before we delve into Temas' RCL technology, it is essential to establish the need for these critical metals as Temas' projects will be one of the initial focuses for the RCL technology. Temas already has the evidence that RCL works extremely well with ore from its 2 projects in Quebec. All of these are used to strengthen steel and can do so even in small quantities but also have their own unique uses. They are also all minerals where the West has not had a supply chain sufficient to keep up with demand. Take titanium for instance – the US has only one titanium sponge producer that can only produce 500 tonnes a year, whilst the EU has an import-to-export ratio of 10:1. With supply from titanium deposits in Ukraine disrupted and export restrictions from China, there is a need for sources of critical minerals.

### Titanium

Titanium (atomic number 22) is a lightweight, strong and corrosion-resistant metal. There are other metals that are 'strong' in the sense of being corrosion-resistant and some that are 'light', but it is often a trade-off. This is not the case with titanium – it is strong (specifically 3-5x stronger than stainless steel) and lightweight (with a far higher strength-to-weight ratio than aluminium and manganese alloys). It is classified as a critical mineral by many Western jurisdictions[1] due to its essential role in aerospace, defence, medical, consumer electronics and industrial applications such as desalination plants, nuclear facilities and chemical processing infrastructure.

As global defence budgets rise and commercial aviation expands post-pandemic, long-term titanium demand remains structurally supported. Although a lack of resources is not as much of a problem for titanium as with vanadium, gallium and scandium, the lack of downstream processing is a concern. A technology such as RCL could make a significant difference by enabling an improved recovery of metals in the sense of having a higher quantity and quality of recovery, reduced energy use, reduced waste and lower carbon intensity.

### Vanadium

Vanadium (atomic number 23) is a transition metal and is the second most abundant transition metal after molybdenum, making up 0.019% of the Earth's crust. Beyond its use in steel, it is the active ingredient in vanadium redox flow batteries (VRFBs), which offer long-duration, scalable, non-flammable energy storage for renewable power systems and grid support and this is becoming increasingly important as the world decarbonises.

VRFBs are different to other battery types (such as lithium-ion batteries) because they store energy in liquid electrolytes rather than in solid-states. This leads to several benefits including a lower energy density, that the risk of fire or explosions is practically zero and the electrolytes can be reused indefinitely. While lithium-ion batteries see a performance degradation of 50% between 500 and 5,000 cycles, VRFBs can cycle more than 20,000 times over a >20-year lifespan with minimal performance degradation. All those reasons, especially the latter, mean that VRFBs is ideal for storing energy from renewable sources that can be intermittent including solar and wind.

[1] Including the US, UK, Canada, Australia and Japan.

## Gallium

Gallium (atomic number 31) is a key component in semiconductors, particularly gallium arsenide (GaAs) and gallium nitride (GaN), which outperform silicon in high-frequency, high-power electronics vital for 5G telecommunications, radar systems, satellite communications and electric vehicles. Gallium is also used in copper-indium-gallium-selenide (CIGS) thin-film solar cells and advanced LED lighting. Given the lack of deposits, before one takes into account the facts that the few deposits tend to be in China (meaning China refines almost 100% of the world's supply) and that gallium rarely occurs in its own right, the bulk of the world's supply comes from the recycling semiconductor wafers. But as semiconductor chips they get smaller and smaller, so do the quantities of gallium. Chinese export restrictions have caused global concern on supply chains.

## Scandium

Scandium (atomic number 21) is also used in alloys and is important because of unique properties that mean even small additions (i.e. fractions of a percent) can have a mighty impact on strength, weldability and corrosion resistance. Yet, economically extractable concentrations are uncommon to the point where only 40 tonnes a year are produced, most of which are from China which has tight controls on its export.

Investors familiar with the ASX Resources space would be familiar with Sunrise Energy Metals (ASX:SRL) which has discovered the Syerston project, one of the largest known primary scandium resources in the world with over 1,300t of contained metal which could support over an annual 60 tonnes of scandium oxide output over more than 30 years. The discovery was so important, US defence giant Lockheed Martin secured an option to buy up to 25% of annual output over the first 5 years of production. The company completed its Feasibility Study and while it did not publish a single NPV given prices are volatile, a mere US$2,000/kg price (less than a third of the price the US Defence Logistics Agency is paying to import scandium from Canada) would derive a US$490m NPV and 47% IRR[2].

## Where Temas Resources fits in

*Temas is a technology play first and RCL could be used in respect of other companies' projects as well as its own.*

Some investors may categorise Temas Resources as an explorer first (with La Blache and Lac Brule) and happening to have an 'in house technology'. Indeed, Temas' projects have potential, particularly the former which underwent a PEA that showed a >$6bn NPV even without the benefits of RCL technology. RCL can reduce costs by up to 65% as well as reduce time and emissions.

But Temas is a technology play first, and investors should view the company accordingly. The company does have mining projects, and these could be valuable in that Temas could use the technology on its own projects. But Temas could also use RCL to process offtake from other companies' projects – including critical metals such as gallium, scandium, REEs as well as gold, nickel and silver. The path Temas is on is similar to IperionX (ASX:IPX) in being a mineral explorer first, then becoming a technology company by acquiring a processing technology complementary to its deposit.

[2] ASX announcement 3 March 2026, p.9-10

## Regenerative Chloride Leach technology

*RCL enables cost-effective extraction of a variety of metals.*

Regenerative Chloride Leach enables cost-effective extraction of a variety of metals. Temas has been involved in the RCL Technology since April 2021 when the company bought a 50% stake ORF Technologies, the then owner of the intellectual property that includes 11 distinct patents and over 50 years of know-how and metallurgical expertise with an estimated >C$10m in direct investment into RCL. Temas acquired the other 50% in November 2025. ORF Technologies was the company which (in 1999) inherited the foundations of what would become the RCL technology from the government-funded Ontario Research Foundation following decades of R&D work. Development work continued at ORF's facilities in Mississauga, On., in suburban Toronto (Figure 1).

**Figure 1: The Toronto facility where RCL was developed**

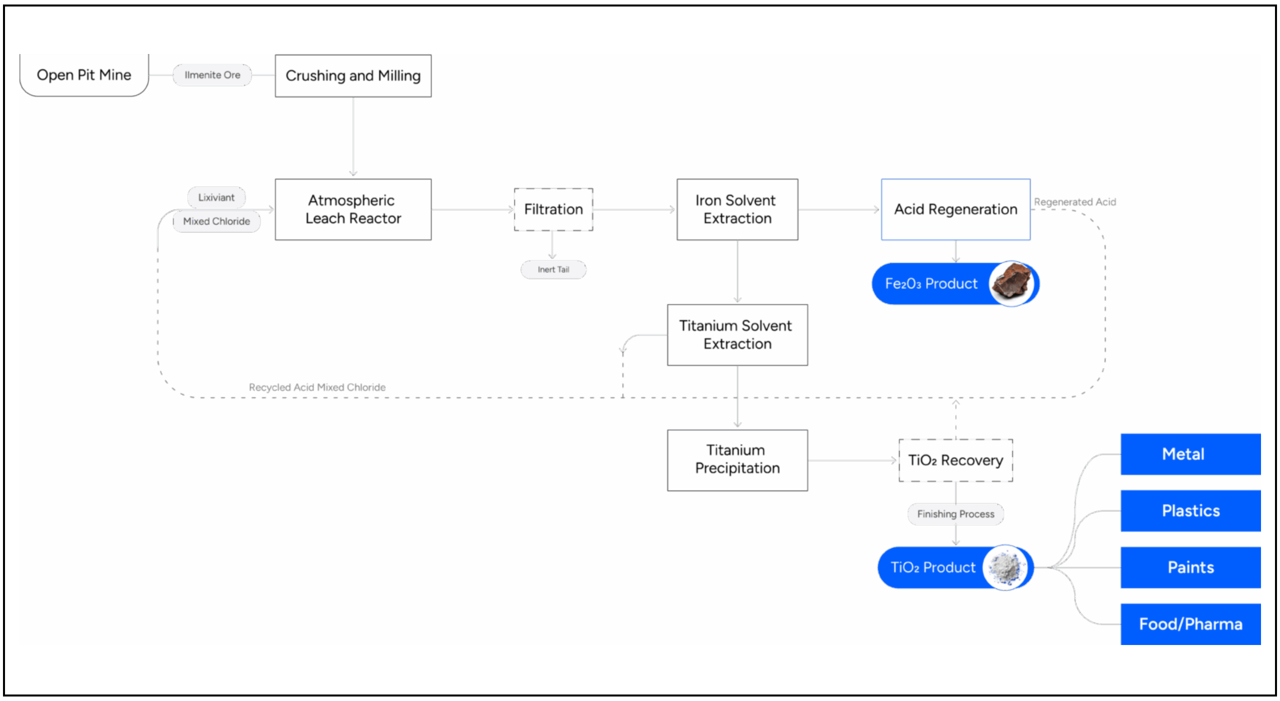
*Source: Company*

### How does RCL work?

RCL involves the addition of a mixed chloride media to ore, the 'mixed chloride' being a mixture of hydrochloric acid and magnesium chloride under atmospheric conditions. This mixed chloride raises the 'redox potential' of the metals in the ore, that is, their tendency to gain electrons. Increased electron acceptance allows the metals to be oxidised, making them easier to leach out of solution.

The RCL process contains three further process steps after the chloride leaching and oxidation. Firstly, iron, and then titanium, is obtained through solvent extraction/precipitation/calcination processes, after which the titanium raffinate is recycled back into the leaching stage. This hydrometallurgical process works at relatively low temperatures (70-90 degrees Celsius) and acid concentration (about 18% HCl) (Figure 2).

**Figure 2: A simplified RCL Flowsheet and Layout**




*Source: Company*

***The simplified process flow and energy efficiency means a 30-65% reduction in capex and opex.***

## Why is RCL a breakthrough innovation?

The RCL technology has several positive traits that boil down to the speed, selectivity and efficiency of the steps involved. The target elements are directly removed as valuable high purity metals, battery salts or metal sulphides, including elements (such as excess iron or magnesium) that would typically be 'lost' in the process but now can be sold commercially. For upstream industry players, the simplified process flow, energy efficiency and resulting suite of high-value co-products means a 30-65% reduction in capex and opex, resulting in superior operating margins with a far less negative environmental impact.

This translates to benefits for downstream companies too, they too see lower costs and can become cost leaders compared to peers relying on supplies using conventional technology. They could use the cost savings to expand capacity in a way that would otherwise be uneconomic and offer competitively priced products that do not compromise on quality. And for consumers of the end products (whether electric vehicles, electronics, building materials, batteries, defence applications or aerospace uses), they can obtain more optimally priced products, not just lower cost products but potentially even products with more features and/or a better performance (in terms of density, durability and other similar measures). RCL could also ensure such products get to market faster in having reduced time and monetary costs upstream.

A 2017 study published by the University of Minnesota's Natural Resources Research Institute estimated an adjusted production cost per ton of $TiO_2$ of just $713 after recovered iron oxide when processing over 100 tonnes of run of mine material. **This represented a ~60% lowering in production costs**

**compared more traditional methods** which we will come to shortly. Moreover, the yields of the technology are high. In July 2022 Temas announced that it had been able to produce 99.8% $TiO_2$ product from pilot testing of the RCL process, showing that product quality is not compromised by this method.

## RCL is better than alternatives

***The two historic methods used to make titanium dioxide pigments have high monetary and environmental costs.***

Historically, there have been two methods to make titanium dioxide pigment. One is the **Sulphate process** developed by the Titan Company during World War I[3] which involves treating finely ground ilmenite with concentrated sulphuric acid (90-98%), filtering insoluble residues, removing iron, then hydrolysing the sulphate to form hydrated titanium and then converting it into titanium pigment via heating. In practice, this is vehemently inefficient from being a batch process that requires repeated heating (up to 200-260 degrees Celsius during exothermic dissolution), cooling and transferring steps and considerable manual labour. Consequently, it comes with various monetary, health and safety and environmental costs that stem from the high volumes of acidic waste produced and energy used. And to top it all off, the product is lower quality.

The other is the **Chemours process**[4], which has been the leading low-cost process since the late 1940s, stemming from a continuous process philosophy shared with RCL. Unlike RCL, it involves reacting an already high-grade rutile/synthetic rutile with chlorine gas and carbon at 900-1,000 degrees Celsius, then purifying titanium tetrachloride by fractional distillation, then oxidising it with oxygen at high temperature and recycling chlorine. Although this method produces high-purity titanium with less waste and energy usage, it needs high-grade feedstock, uses toxic and corrosive chlorine gas and has high costs (Figure 3).

RCL was developed specifically to adopt the strengths and address the shortcomings of the two competing methods, creating a compelling commercial alternative. Temas now has proof that RCL can take even very low-grade low-cost feedstocks through a continuous process and produce premium quality $TiO_2$ competitive with the best in the market today. The technology takes on the shortfall of sulphate route in converting its 'waste stream' into a revenue stream through capturing significant co-product value, and it regenerates its own reagents to efficiently top up the closed loop system.

[3] The Norwegians Peder Farup (1875–1934), a chemist, and Gustav Jebsen (1861–1923), a chemist and industrialist, developed this method between 1910 to 1920 and created the Titan Company A/S, based in the port city of Fredrikstad, to commercialise it. This company was bought by an American company called National Lead in 1927.

[4] The Chemours Company (Wilmington, De, NYSE: CC, chemours.com) is the world's largest TiO2 producer. The Chemours Company is a DuPont spin-off formed in 2015. It is the manufacturer of Teflon. It also produces titanium dioxide and refrigerant gases.

**Figure 3: RCL vs other methods**

| | | Sulphate | Chloride | ORF - RCL |
|---|---|---|---|---|
| Technical | History | 1918 (Titan Company) | 1948 (Chemours) | Patented (Temas) |
| | Process Type | Hydrometallurgical | Pyrometallurgical | Hydrometallurgical |
| | Process Conditions | Hydrometallurgical (up to 180 C, 85-92% H2SO4) | Pyrometallurgical (up to 1200 C) | Hydrometallurgical 70 C, 20% HCl |
| | End-to-End Processing in One Location | Possible | Not practiced | Possible |
| | CAPEX per installed tonne | $,2,500-$3,000 | $3,000-$4,000 | $2,700 (estimated) |
| Environmental | Health and Safety Requirements | High | Very High | Lowest |
| | Environmental Challenges | Disposal of acidic waste products | Disposal of some waste products | Waste streams to Revenue Streams |
| | Carbon Footprint | **7.56** t CO2eq / t of TiO2 | **9.34** t CO2eq / t of TiO2 | 20-50% (est) lower than Chloride Route |
| Financial | Energy Consumption and Efficiency | Medium but Inefficient Batch Process | Highest but Efficient | Lowest and most Efficient |
| | Raw Material Flexibility | Flexible and Low Cost (ilmenite/slag) | Inflexible and High Cost (rutile and SR or UGS) | Highly Flexible and Lowest Cost (slags, VTM, hemo-ilmenite, ilmenite) |
| | Reagent Cost | Sulphur Price has Substantial Effect | No Effect, Reagents are Regenerated | No Effect, Reagents are Regenerated |
| | Quality = Unit Cost of $TiO_2$ in Feed (USD/tonne) | $600 | $1,200 (SR) to $1,900 (Natural Rutile) | $280 (Temas feedstock) $600 (merchant ilmenite) |
| | OPEX (USD/Tonne) | $700-$1,500 (China) $2,000-$2,500 (Western Europe) | $1,750 (Chemours) -$2,325 (average) | < $900 (estimated) |
| | Value = Quality of finished $TiO_2$ pigment (USD/tonne) | ~$2500 - $3200 | ~$3000 - $3800 + | ~$3800 + |
| | Cost Drivers | Acid treatment, waste management, and higher labor/energy requirements increase costs over time. | Higher initial capital and raw material costs but, long-term savings from lower waste, continuous processing, and higher product quality. | The superior flexibility in utilizing low-cost feedstocks coupled with simple reaction vessels produces superior operating margins and environmental performance. |

*Source: Company*

## Temas' own work has found positive results too

***Temas' own testing has yielded 99.98% of pure and commercial grade titanium powder – 88kg of it.***

Temas' technology has worked well at pilot scale. Pilot-scale test work has leached over 800kg of ore and demonstrated selective extraction of titanium, iron and vanadium chlorides and precipitation of high-purity pigment-grade $TiO_2$, supporting ongoing scale-up and licensing plans. This process yielded an impressive 88 kgs of 99.8% pure and commercial grade $TiO_2$ (titanium powder). It removed 99.9% of the iron into a pregnant chloride solution in a matter of minutes with only 0.23% contaminants present. These values are expected to further increase with scaling and moving to closed loop circulation in larger pilot testing.

## Where to next with RCL?

In 2026, Temas has several goals it aims to achieve to advance RCL including:

- Signing the first third-party IP Licensing Agreements
- Filing additional patents
- Beginning the process to select the site for a pilot plant
- Testing the technology with further metals
- Evaluating RCL in relation to its applicability to Blache.

***Of all upcoming milestones Temas is hoping to achieve, establishing a pilot plant will be the most important followed by potential licensing/joint venture deals.***

As we will outline later in the report, we think progress toward a commercial pilot plant will be the most important of these towards realising long-term shareholder value if peer precedent (specifically Metallium) is anything to go by. Even so, all the other goals (if achieved, of course) will be important and value-accretive too.

We expect any licensing/joint venture deals to be the next most important for the commercial pathway – such deals could potentially involve upfront monetary payments that could assist with commercialisation efforts. We envision that it potential customers could be pure-play metals processors or major miners that are looking for innovative solutions to reduce costs.

We think the Letter of Intent Temas signed with 1542642 BC Ltd in mid-February 2026 is a positive sign of what could be to come later in the year. It provides for 1542642 to use RCL on its Revel Ridge gold-silver project with that company fully funding bench-scale and pilot scale test work. Successful testwork could lead to the formation of a Temas-controlled JV to deploy the platform in Western North America. It is easy to think gold is an opportunity just because prices have been booming, but also because 22% of gold resources worldwide occur in refractory deposits, representing a substantial addressable market for RCL deploying and licensing. Temas also has ongoing discussions with multiple third parties regarding similar trials.

## RCL has potential with other metals too

***The expansion of RCL into other metals will be the next most important.***

After these two objectives, the expansion of RCL into other metals will be the next most important. As we noted on the front page, Temas has patented the RCL process already for recovery of gold, silver, nickel, other critical minerals and other rare earth elements. But the next two metals will be gallium and scandium because Temas has identified mineralisation at Lac Blache and its 2026 development efforts will optimise the passive capture of gallium and scandium. We noted in our ‘Reasons to Invest in Temas’ and will discuss further later in this report, RCL has potential to add value to Temas’ projects beyond the existing titanium, vanadium and iron base. Not just generally because gallium and scandium are there and RCL works, but also because the specific style of multi-element mineralisation is well aligned with RCL.

There are not many ASX companies current involved with either gallium or scandium, but the few that have exposure and made progress have significantly re-rated. Metallium's recovery technology can work with gallium and scandium. Explorers that have stumbled across discoveries have re-rated – West Cobar Metals (ASX: WC1) in gallium and Sunrise Energy Metals (ASX: SRL), with the latter company having one of the world's largest and highest-grade scandium resources.

The reasons are because both gallium and scandium are critical metals. They are used for different purposes – gallium is tied to semiconductors and powered electronics, but scandium is important for strengthening aluminium alloys and in specialised oxides for lighting and energy applications. Granted, any discovery of scandium/gallium or proof RCL works with scandium/gallium may not be a re-rating catalyst in and of itself – at least not to the extent that any commercial deals or commercial testing would be. Nonetheless, any proof that RCL works with other metals will expand its market reach and therefore revenue potential when it finally reaches the market.

## Temas' critical metal projects

Temas has two exploration projects: La Blache and Lac Brule. Both are promising projects in their own right and could be further enhanced by Temas' RCL technology. They will also serve as testbeds for RCL, proving the technology's worth to potential customers. To understand where these projects fit into the picture, we will first describe the project's individual potential and then outline where RCL could make a difference.

### La Blache

***The La Blache Titanium Project is located in the Côte-Nord region of eastern Quebec.***

The La Blache Titanium Project is located in the Côte-Nord region of eastern Quebec, near Lac De La Blache around 130 km northwest of the St Lawrence River town of Baie-Comeau (Figure 4). The project area is 7,000 hectares and prospective for ilmenite and Vanadium Titanomagnetite (VTM). Titanium was first discovered at La Blache in the 1950s. Temas Resources acquired La Blache in September 2020 and conducted diamond drilling in 2022, which formed the basis for the Preliminary Economic Assessment (PEA).

**Figure 4: Location of La Blache**


*Source: Company*

***Temas' current MRE is only based on one deposit called Farrell-Taylor.***

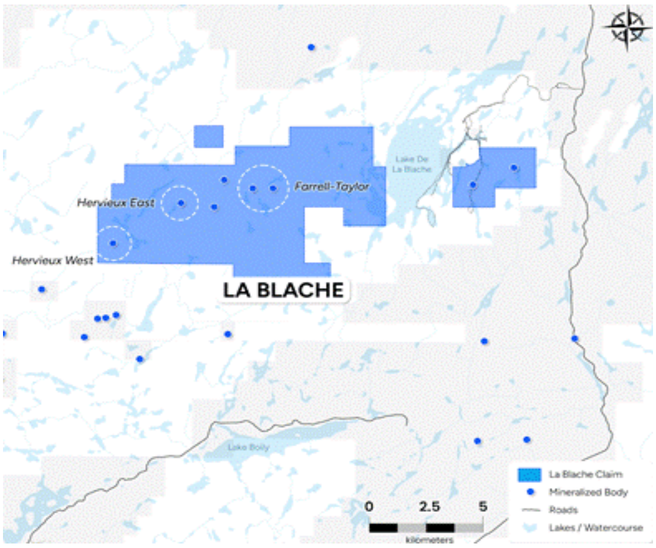
In February 2024, Temas upgraded the NI-43-101[5] Mineral Resource Estimate at La Blache to an Inferred Resource of 208.5 million tonnes grading 16.7% $TiO_2$, 0.2% $V_2O_5$ and 41.5% $FE_2O_3$ (Figure 5).

**Figure 5: The La Blache Resource as it stands (only Farrell Taylor)**

| TiO2 Eq. Cut Off Grade | Rock Type | Category | Tonnage (Mt) | TiO2 | FE2O3 | V2O5 | TiO2 Eq. |
|---|---|---|---|---|---|---|---|
| 4.80% | SMO | Inferred | 99.7 | 6.26% | 21.98% | 0.07% | 8.34% |
| 4.40% | MO | Inferred | 108.8 | 17.83% | 59.40% | 0.32% | 24.30% |
| **Total** | | | **208.5** | **12.29%** | **41.50%** | **0.20%** | **16.67%** |

*Source: Company*

**Figure 6: Outline of La Blache**




*Source: Company*

## More resources (particularly Measured and Indicated) are coming

***The current Inferred Resource is based only on one deposit at the project called Farrell-Taylor.***

The current Inferred Resource is based only on one deposit at the project called Farrell-Taylor (Figure 6). Temas is likely to add two other deposits, called Hervieux East and Hervieux West, into the next resource estimate. These two deposits were part of the adjacent property to La Blache that Temas acquired in 2024 and include Measured and Indicated Resources.

Previous exploration work has been done at Hervieux, most recently by Argex Titanium which published a Preliminary Economic Assessment and Resource Estimate in 2011, but Temas has not treated this as a current Mineral

[5] National Instrument 43-101. This is a Canadian securities regulation that sets standards for the scientific and technical information to be disclosed to investors. It is important to note that even though it shares some similarities to codes like Australia's JORC Code including needing a Qualified Person to prepare the work; the purpose is more about ensuring there is disclosure as opposed to guaranteeing the accuracy of the metallurgy/geology of the project.

Resource up to this point because a Qualified Person had not done sufficient work to classify it as a current mineral resource[6], notwithstanding that Temas was confident enough to acquire the property and is in process of validating these resources as part of its ongoing program. The updated PEA will include the Hervieux deposits which contain 30Mt of resources that were historically Measured and Indicated. Temas has that historic drill core and is reassaying it to upgrade the resources (Figure 7).

**Figure 7: The La Blache Deposit (including historical Resources not included in the PEA)**

| Deposit | 43-101 Resource | Strip Ratio | Density | Tonnage | $TiO_2$ % | $V_2O_5$ % | $Fe_2O_3$ % | Ti % | V % | Fe % |
|---|---|---|---|---|---|---|---|---|---|---|
| Hervieux West MO | M&I | 1.95 | 4.55 | 19,470,000 | 18.80 | 0.46 | 62.88 | 11.27 | 0.26 | 43.98 |
| | Inferred | | 4.55 | 4,700,000 | 18.63 | 0.48 | 61.99 | 11.17 | 0.27 | 43.36 |
| Hervieux East MO | M&I | 2.60 - 3.49 | 4.57 | 12,801,000 | 18.48 | 0.43 | 62.94 | 11.08 | 0.24 | 44.02 |
| | Inferred | | 4.51 | 9,883,000 | 18.23 | 0.41 | 62.09 | 10.93 | 0.23 | 43.41 |
| Farrell Taylor MO | Inferred | 3.51 | 4.42 | 108,800,00 | 17.83 | 0.32 | 59.20 | 10.69 | 0.18 | 41.55 |
| Farrell Taylor SMO | Inferred | | 3.28 | 99,700,000 | 6.26 | 0.07 | 21.98 | 3.75 | 0.04 | 15.37 |

*Source: Company*

***The property is in a region with a sufficient labour force, site access all year around and multiple locations for processing facilities.***

Even though the property is isolated, it has a sufficient labour force in the region – the city of Baie-Comeau alone has 20,000 inhabitants and all major services (including a seaport and an airport). Adequate surface water sources are present on the property and site access is possible even during the harsh winter months (Figure 8 and Figure 9).

The property offers multiple suitable locations for processing facilities (i.e. an assay laboratory, consumables storage buildings and main buildings for crushing units and a concentrator), mine security, offices, storage warehouses, worker accommodation, equipment maintenance facilities as well as water, tailing and waste storage/treatment facilities (Figure 10 and Figure 11).

There are some impediments that will need to be overcome before the site can host an operating mine. One of these is site access - a full-scale mining operation will need improved road access, and the company is planning to complete an overland routing capable of handling heavy equipment in 2026 to improve access and development efficiency. The PEA assumed this would happen, but it would be put in place through collaboration between the private sector, and provincial and federal governments[7].

Another issue is how the site will be powered. Total power demand was anticipated to be 85MW, 49MW for the processing plant (41.7MW of which for grinding) and 36MW for the rest of the site[8]. There is potential for RCL to bring the usage down, but no specific studies towards impact on this site have been done. There are other possibilities including connecting the site to the 735-kV Micoua-Saguenay transmission line (completed in late 2023), building a fuel storage facility with a 1 million litre capacity, and smaller facilities for diesel and gasoline and/or using LNG.

[6] Temas' Preliminary Economic Assessment, p.36.
[7] PEA, p.163. Available from temasresources.com.
[8] PEA, p.156.

**Figure 8: Photos from the current campaign – set up of drill rigs**

*Source: Company*

**Figure 9: Temas' secure core shack and historic drill core from the field that was repatriated from the field**

*Source: Company*

**Figure 10: New drilling location being set up at La Blache**

*Source: Company*

**Figure 11: HQ drill core at Temas' staging camp/field camp**

*Source: Company*

## A 2024 PEA showed impressive results

*The March 2024 PEA showed a C$6.6bn post tax NPV on an 8% discount rate.*

The current La Blache economics are compelling. The March 2024 PEA showed a C$6.6bn post-tax NPV on an 8% discount rate. The IRR is a massive 60.8% over a 14-year mine life. It was assumed it could produce 660ktpa of $TiO_2$ per annum, up to 10% of the theoretical global market.

The PEA assumed a price of US$2,200 per tonne for TiO2, US$14,200 per tonne for vanadium pentoxide and US$125 per tonne for Fe2O3[9]. This derived C$37.2bn in gross revenue and $31.8bn in net revenue[10] which implies a gross titanium price of C$4,025/t and a net realised titanium price of C$3,441/t and under current exchange rates[11], these are US$3,019/t and US$2,581/t respectively.

Geotechnical factors also aid the project's returns. One is a 95% resource recovery, which is positive because it means very little ore is left behind due to mining constraints or loss. Also positive is the 7.5% dilution rate (i.e. waste rock unintentionally mixed with ore during mining). The 3.5:1 strip ratio is more moderate, not exceptionally low (as 2:1 would be) but neither is it high enough to kill off the project (as hypothetically anything above 5:1 would be).

The initial capital cost is, however, significant, at C$1.2bn. Of this, C$788.5m are direct costs with the balance being contingency and owner costs. Of the capex costs the biggest cost centres are open pit mining at C$466.2m and site infrastructure and support services at C$103.1m. Moreover, there will be C$544.5m in sustaining costs over the life of mine, including contingency. Of this, $315.8m is open pit mining and mineral processing.

**But wasn't the PEA withdrawn?**

*Temas had to withdraw its reliance on the PEA's economic projections because the Resources was entirely Inferred; but this did not mean the study and/or resource was defective.*

In the midst of preparing for its ASX IPO, Temas was made to withdraw its reliance on the economic projections primarily because the Resource was entirely Inferred even though there has been significant prior drilling on the project and the ASX is stricter than the TSX in permitting companies to rely on Inferred Resources. This is not to say the ASX is 'too strict' or even wrong, but that is the position it is taken, and it isn't even the strictest exchange in this regard[12].

It is true that Inferred Resources have the lowest confidence level and are not sufficient to demonstrate economic viability with reasonable certainty. But the JORC code requires that *all* reports of Mineral Resources (including Inferred Resources) must satisfy that there are reasonable prospects for eventual economic extraction, or else it cannot be publicly included as a Resource.

Where resources are Inferred, there is information to suggest the mineralisation is there, but not enough to confirm continuity or support detailed mine planning. In other words, there is only limited geological evidence – only enough to 'imply' but not 'verify'.

Resources are Indicated where there is enough information to reasonably assume continuity, allowing preliminary mine planning and economic evaluation. Measured is where there is very high confidence in grade, tonnage and continuity, suitable for detailed mine planning and reserve estimation[13].

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9 Page 10 of the PEA.
10 The difference between gross and net revenue of ~C$5.4bn reflects downstream deductions including transport, treatment, payability and marketing costs, consistent with standard PEA reporting conventions.
11 C$1 = US$0.85.
12 The NYSE and NASDAQ do not permit Inferred Resources to be used in projections *at all* even where there are Measured & Indicated Resources – only the former two are allowed. The UK's LSE is similarly strict, although the AIM is somewhere between the ASX and TSX positions.
13 From pages 11-13 of the 2012 JORC Code. https://www.jorc.org/docs/jorc_code2012.pdf

Nonetheless, while the ASX treats any kind of Economic Assessments (whether Feasibility Studies, Scoping Studies or PEAs) based in Inferred Resources as too speculative for investor reliance; Canadian regulation (specifically NI 43-101 – Standards of Disclosure for Mineral Projects) permits a PEA to be based on Inferred Resources as long as certain conditions are met including that there is clear cautionary language and a disclosure that no reserves are defined.

Temas' action in telling ASX investors not to rely on the PEA does ***not*** mean the grades were wrong, the project was uneconomic or there were other defects in the report (such as not being done by JORC-qualified geologists which the report was). It just meant that it was too early for the ASX to be confident in letting the company tell investors to rely on the study for their investment decisions.

***Temas is not the only company that first listed in Canada to have had this issue.***

Moreover, Temas is not the only company that initially listed in Canada, then dual-listed on the ASX and encountered this issue – one of the most prominent was Jervois Minerals. While Jervois was ultimately undone by floundering nickel and cobalt prices, it re-rated threefold in roughly two years as it upgraded the Confidence level in its Resources at its nickel-cobalt project. Temas plans to complete additional drilling at La Blache in CY2026 to delineate a Measured and Indicated Resource and then upgrade its PEA.

## 2025 was a year of progress at La Blache, more to come in 2026

2025 saw a ~2,300m drilling campaign completed to expand and upgrade the existing resource at Farrell-Taylor and supporting geo-metallurgical work for the RCL technology, which the company anticipates will demonstrate enhanced recovery and lower processing costs. Earlier testing of RCL has shown up to 65% cost reductions.

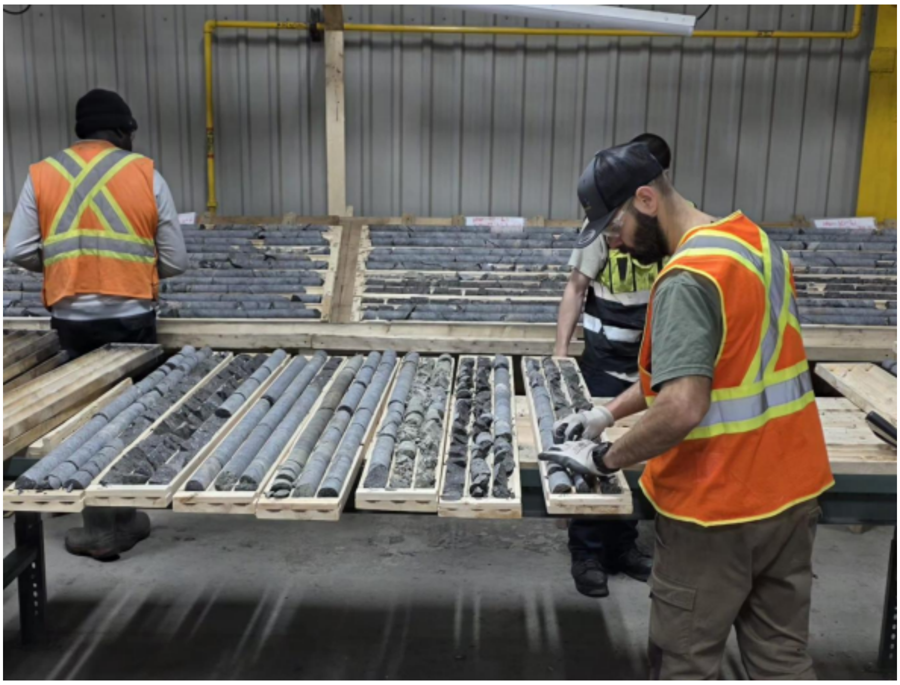
***Temas is relogging 36,614m of historical drill core. Results will be released over the coming months and include newly assayed gallium, scandium and chromium pay metals.***

In late February 2026, Temas advised investors it completed relogging 36,614m of historic drill core from its Farrell Taylor, Hervieux West and Hervieux East deposits, and commenced shipment of samples to ALS Assay Lab in Montreal (Figure 12). The first results were released in March, and the rest will be progressively over the coming months. The most important thing for investors is that these results have and will include newly assayed gallium, scandium and chromium pay metals.

Again, investors can also expect inclusion of the Hervieux deposits into an updated PEA as they are re-assayed. Additionally, the Company plans to drill the additional titanium and vanadium deposit at Lac Schmoo (immediately beside the Farrell-Taylor deposit) during CY2026. Exploration work will be informed by ~46.05km$^2$ of high-resolution airborne LiDAR surveying that was completed in late 2025.

On the basis of all of this, La Blache resource is likely to be expanded and indeed, the PEA recommended specific geological and geotechnical actions for this to happen including for uniaxial compressive strength tests on samples, shear tests along any bedding planes, faults or other areas of significant jointing and installing wire piezometers to verify pore pressure build-up.

Figure 12: Temas' team re-logging historical core and prepping for re-assay



*Source: Company*

## The latest drilling results give hope

***Temas' drilling results from its 2025 campaign were impressive.***

In our view, the importance of the first drilling results from the 2025 campaign cannot be understated. The headline finding was the consistent co-occurrence of gallium (Ga), scandium (Sc), and chromium (Cr) within the *same* thick, high-grade massive oxide (MO) intervals that defined the Farrell-Taylor deposit (Figure 13).

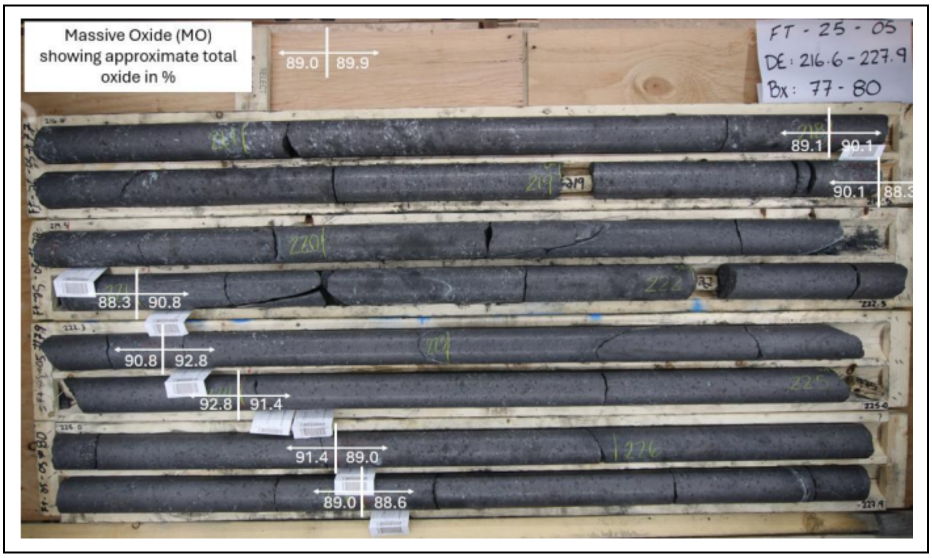
The best intercepts included:

- 73 metres at 83.7% $Fe_2O_3 + TiO_2$, 0.46% $V_2O_5$, 56 ppm Ga, and 19 ppm Sc from 110 metres in hole FT-25-07, and;
- 75 metres at 79.8% $Fe_2O_3 + TiO_2$, 0.43% $V_2O_5$, 57 ppm Ga, and 17 ppm Sc from 204 metres in FT-25-04.

Gallium readings across the MO zone were consistently in the 53–61 ppm range, scandium at 16–21 ppm, and chromium at 1,100–1,460 ppm. These values occurred naturally within the same vanadium titanomagnetite and ilmenite mineralogy central to the deposit's primary economics.

Although it is too early to ascribe specific value based on gallium, scandium and chromium until a formal JORC Resource is defined, these are positive signs because this represents potential further upside in additional metals recoverable alongside the titanium, vanadium and iron that is already there. It also shows that the drilling protocol was effective and the company is planning to re-assay samples already taken (i.e. from 2022 drilling). Mineralisation is thickening and remains open towards surface outcrops 500m to the west. And most importantly, this complex and multielement mineralisation may be best suited for RCL technology in a way very few others (if any) are. Investors can expect more results in the weeks and months ahead.

**Figure 13: Core Photo of Hole FT-25-05 216.6m-227.9m**




*Source: Company*

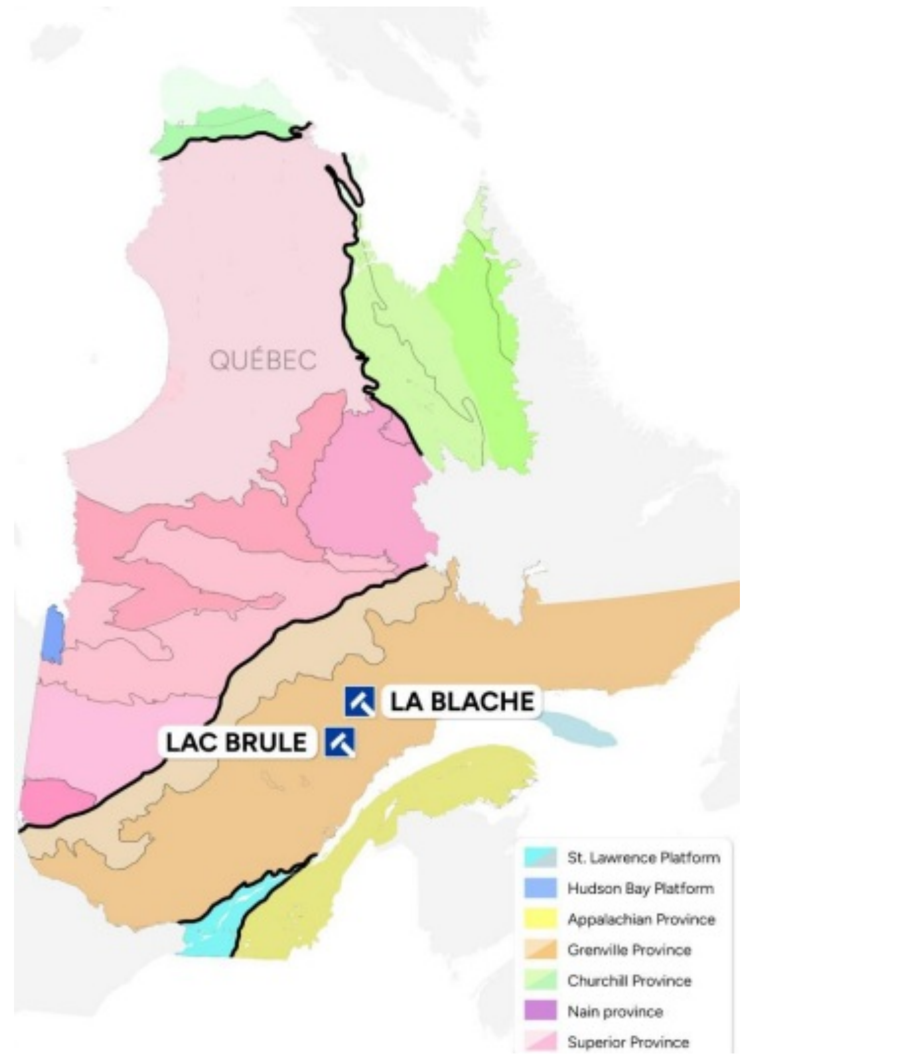
## Lac Brule

*Temas also has the La Brule Titanium Project that is at an early exploration stage.*

The Lac Brule Titanium Project was acquired in 2021. This project (which covers over 2,000 hectares and 36 mineral claims) is located around 90 km north of the Lac Blache project and 64 km from Labrieville, a town on the north shore of the St. Lawrence (Figure 14).

It is accessible by road and close to power infrastructure. Indeed, Lac Brule is near Hydro Quebec's Bersimis-2 generating station on the Betsiamites River and is within the Labrieville anorthosite complex, a geological setting known for its rich mineralisation.

**Figure 14: Lac Brule's location**




*Source: Company*

*Lac Brule lacks a resource but has undergone metallurgical bench tests and drilling.*

Although a maiden resource has yet to be declared, the project has been subject to historical metallurgical bench tests that achieved >90% titanium, vanadium and iron recoveries, as well as drilling which intersected two high-grade mineralised lenses. That drilling confirmed high-grade hemo-ilmenite up to 34% $TiO_2$.

Temas intends to advance Lac Brule through to a PEA stage which will include exploration work such as definition drilling, systematic field mapping and sampling to validate historical anomalies, and high-resolution geophysical surveys to identify new targets. Even though it may be multiple years before a higher-confidence resource can be defined, it could contribute to the company's feedstock for its RCL supplies. Over 10,000m of prior drilling has taken place at Lac Brule.

## The regulatory environment

***Canada's framework does indeed have more commonality to Australia than most other jurisdictions, it does have its own regulatory system.***

Many Australian investors will have a general idea that Canada has a similar regulatory environment to Australia, even if they have less of an idea of specific regulations. While Canada's framework does indeed have more commonality to Australia than most other jurisdictions, it does have its own regulatory system.

La Blache and Lac Brule will need environmental approvals both at a federal and provincial level (i.e. the laws of Quebec), but primarily the latter. It will need a ministerial authorisation to operate as well as specific authorisations including a restoration plan post-mining, a permit for explosives and an authorisation to deposit mining waste. Many (if not all) will require particular studies and/or testing. The company will also need to increase the scope of engagement with the local Indigenous population (the Innu nation) as the project advances to a more advanced level than required at present given the project is still only at an exploration stage.

The PEA for La Blache has assumed that it will be subject to a Canadian federal income tax rate of 15%, a Quebec provincial rate of 11.5% as well as a provincial mining tax rate that varies according to annual profit margins realised by the company. There are exemptions and allowances for processing, depreciation and other reductions to tax payable which the PEA considered. The C$2.3bn difference between the pre-tax and post-tax NPV implies an 'all-inclusive' rate of 27.7%.

## Temas' leadership team

The company's current board and leadership composition is as follows (Figure 15):

**Figure 15: Temas' leadership composition**

| Board of Directors | |
|---|---|
| **Name and Designation** | **Profile** |
| **Kyler Hardy**<br>Executive Chairman | Mr. Samuel 'Kyler' Hardy has over 20 years of experience in the global resource sector where he has operated, advised and brought venture capital, private equity and strategic partners to the table. Mr. Hardy has founded and sold several resource-focused businesses, from services to extraction and development. Mr. Hardy is currently CEO of the Cronin Group, Chairman of NuE Corp, and Director of Hexa Resources, among other private and public companies. |
| **Tim Fernback**<br>CEO | Mr. Fernback has over 25 years of experience in the venture capital and investment banking industries. He is a former investment banker and venture capitalist actively investing in and developing high-growth North American companies. Mr. Fernback holds an Honours B.Sc. from McMaster University and holds an MBA with a concentration in Finance from the University of British Columbia. Mr. Fernback holds a Certified Professional Accounting (CPA) designation in Canada and is a current and former director and senior executive of several publicly traded companies in both Canada and the USA. |
| **David Robinson**<br>CFO | As a CPA and CA, David has over 15 years of accounting and capital markets experience. David provided audit, tax and consulting services to private and public companies for a number of years at MNP LLP before moving to the TELUS Pension Fund as a senior analyst where he gained significant exposure to equity portfolio management and commercial lending. Currently, David is the CFO of the Cronin Group where he provides financial oversight to its portfolio of private and public companies. |
| **Kobi Ben-Shabat**<br>Director | With over two decades of experience, he brings deep operational experience as both a founder and director, having served on the boards of ASX-listed companies including Weebit Nano (ASX: WBT) and UltraCharge (ASX: UTR, now Green360 Technologies, ASX: GT3). His history of hands-on leadership, often involving co-founding and early investment in ventures, underscores his commitment to long-term strategic outcomes and shareholder alignment. Notable ventures he has helped build or guide to exit include Dotz Nano (ASX:DTZ), Splitt (ASX: SPT), and was a founding shareholder and leader behind MTM Critical Metals (ASX: MTM). He also successfully exited Open Platform Systems through a strategic sale to Hills Limited in 2014. |
| **Veronique Laberge**<br>Director | Ms. Veronique Laberge is a chartered professional accountant and holder of the title of auditor. With more than 18 years of experience in professional practice, she specialized in certification mandates, general accounting and has been working as a fractional CFO for multiple public and private companies since 2018. |

| | |
|---|---|
| **Nic Matich**<br>Director | Mr. Matich is an experienced resources executive, engineer, and finance professional with a strong track record in ASX-listed companies. He has held Managing Director and CEO roles across multiple listed entities and brings deep experience in capital markets, project development, strategic acquisitions and stakeholder engagement.<br>He has previously served as Managing Director and CEO of ASX-listed resources companies, where he led successful capital raisings, advanced mineral projects from early stage through to development, and worked closely with investors, analysts and strategic partners. He is currently a Non-Executive Director of Adavale Resources Limited (ASX:ADD) and Vice-President – Corporate Development at Red Mountain Mining (ASX:RMX).<br>In addition to his executive leadership background, Mr. Matich has extensive experience in business development and stakeholder engagement across the resources sector. In his role as Non-Executive Director, he will work closely with the CEO and Board to support investor relations, strategic partnerships and commercial discussions related to the Company's proprietary processing technology and critical minerals portfolio.<br>Mr. Matich holds an engineering and science degree from the University of Western Australia, a Graduate Diploma of Finance, and is a Graduate of the Australian Institute of Company Directors. |
| **David Caldwell**<br>COO | With 35 years of applied experience, David is a Geologist, Geophysicist and Geochemist. He has practical experience taking mineral projects from grass roots generative development through all aspects of feasibility, permitting and the asset build-out process in the US, Canada and Latin America.<br>Most recently he served as Co-Founder, Director and Chief Innovation and Sustainability Officer for Pinnacle Iron and Steel/Trinidad Tobago Iron Steel Co., and prior to that role, David spent over 14 years at BlackRock metals as Co-Founder, Director and VP Technical services where he identified the Lac Dore layered complex as having strong potential to host a polymetallic deposit with world class tonnage and strong grades in three metals (Fe/Ti/V), and established a full feasibility for a $1.3B construction project with the best vanadium grades of any North American deposit in this critical metal along with excellent titanium credits and high purity iron. |
| **Michel Lebeuf**<br>General Counsel | Michel Lebeuf is the managing partner of the Montreal legal firm Lebeuf Legal and a seasoned corporate finance and securities attorney. Michel has developed an expertise in securities law, particularly in the areas of natural resources, institutional and corporate financing, and public and private mergers and acquisitions. He has experience in corporate reorganisations, public and private transfers, and institutional funding. Michel graduated from Université de Montréal, where he obtained a degree in political sciences (international relations) and a civil law degree. Michel also acts and has previously acted as director and officer for many listed issuers on the Canadian Securities Exchange and the TSX Venture Exchange. |
| **Jeff Olweean**<br>Business & Corporate Development Manager | With over 35 years of experience, Mr. Olweean is well known in the financial industry, specializing in investment, banking, trading, and venture capital. His impressive track record spans multiple continents, including the US, Canada, and international markets. Mr. Olweean, graduated with honours at Michigan State University (1986) and is a former board member with the South Florida MSU Alumni Association. From 1986 – 1999, Mr. Olweean was both a registered stockbroker and trader in South Florida, and since that time has been an active CEO and director of both public and private issuers. |

| | |
|---|---|
| **Daniel Dutton**<br>Metallurgist | Daniel Dutton has thirty (30) years + of acquired proficiency in the Vanadium, Titanium, Iron & Steel and Alloy industry and is a Metallurgical & Chemical Engineer. He has extensive experience in operations (mining, mineral processing and beneficiation, pyro - and hydro – metallurgical processes), process evaluation, start-up / green field / brown field operations development, and the design and implementation of new metallurgical technologies. He is a respected leader in the vanadium, iron & steel and titanium commodity sectors. Mr. Dutton holds a diploma in Chemical Engineering from Vaal Triangle University of Technology, South Africa in addition to a Metallurgical Engineering – Extractive Diploma from Pretoria University of Technology, South Africa. |

*Source: Company*

## Our valuation: Upside to $1.28 per share in a base case

*We've valued Temas' RCL technology using a staged probability-of-success framework.*

We generated an early-stage valuation for Temas based on a SOTP methodology. We valued the Regenerative Chloride Leach opportunity using a staged probability-of-success (PoS) framework and a higher-than-normal discount rate and then we valued La Blache modelling the project and applying a highly conservative % of NPV.

### Temas' RCL opportunity: $0.84 per share

**A staged probability-of-success framework**. Industrial process technologies exhibit sequential technical and execution hurdles — laboratory validation, pilot operation, demonstration plant performance, and first-of-a-kind (FOAK) commercial commissioning — each of which materially reduces risk as it is successfully passed. Empirical evidence from U.S. energy innovation programs such as ARPA-E[14], venture capital outcome datasets compiled by Cambridge Associates and PitchBook[15], and Technology Readiness Level (TRL) frameworks developed by NASA[16] indicate that attrition is highest prior to sustained pilot validation and again at the FOAK plant stage. Accordingly, we apply the indicative overall probabilities of ultimate commercial success as per Figure 16:

**Figure 16: Estimated Probability of Success weightings for an RCL plant**

| Stage | Typical Overall PoS |
|---|---|
| Lab scale | 10–25% |
| Pilot running | 25–45% |
| Demo plant | 40–60% |
| First plant commissioned | 60–75% |

*Source: Pitt Street Research*

For RCL, which has achieved pilot-level validation but has not yet commissioned a full commercial plant, we consider a 25–45% PoS range appropriate. This reflects meaningful technical de-risking (continuous operation, process stability, impurity control) while recognising the significant execution and capital risk associated with scaling to commercial throughput. Historical analyses of cleantech commercialisation cycles highlight that the transition from demonstration to FOAK plant commissioning is frequently the highest mortality stage, driven by capital intensity, process variability and financing constraints[17]. The PoS is applied multiplicatively to the success-case NPV derived from the DCF model. This produces a risk-adjusted NPV (rNPV) that explicitly captures binary technology and scale-up risk, consistent with valuation practice in biotechnology, mining exploration and deep-tech infrastructure sectors.

[14] ARPA-E, Annual Impact Reports (various years). ARPA-E reports indicate that while many funded projects achieve technical milestones or follow-on funding, a smaller proportion ultimately reach sustained commercial deployment.
[15] Cambridge Associates, US Venture Capital Index & Benchmark Statistics; PitchBook, venture outcome research. Hardware-intensive and industrial technology portfolios exhibit higher capital loss rates than software businesses.
[16] NASA, Technology Readiness Level Definitions and Guidance; see also reports from the National Academies of Sciences on technology maturation and transition risk, illustrating compounded attrition across TRL stages.
[17] MIT Energy Initiative and Brookings Institution analyses of cleantech commercialisation cycles highlighting elevated failure rates at the first commercial plant stage.

*We valued Temas by calculating a success-case NPV using a 14% discount rate, then applying a stage-appropriate PoS to derive an rNPV.*

*We see potential upside to over $0.84 per share in a base case and over $3 in an optimistic case.*

**Discount Rate Methodology.** We apply a 14% nominal discount rate to the success-case cash flows. This rate reflects the cost of capital appropriate for a small-capitalisation industrial development company and a first-of-a-kind processing facility, conditional on technical success. The 14% rate is derived from a Capital Asset Pricing Model (CAPM) framework where the risk-free rate is 4–5%, the equity risk premium is 5–6%, the beta is 1.3–1.6, the size premium is 2–4% and the company-specific execution premium is 1–2%. These inputs triangulate to a cost of equity in the 13–15% range. Such levels are broadly consistent with valuation guidance published by Duff & Phelps (now part of Kroll) and with discount rates observed in valuation manuals prepared by KPMG and PwC[18]. They are also consistent with equity IRR hurdles typically observed in greenfield industrial and FOAK infrastructure projects. Importantly, the discount rate captures not only the time value of money, operating volatility and so on. It does not capture binary technical failure risk, which is separately addressed through the PoS adjustment. Using an elevated discount rate (e.g., 20–25%) in addition to a PoS factor would risk double-counting commercialisation uncertainty.

**An Integrated Valuation Approach**. The valuation therefore proceeds in two steps: 1) Calculate success-case NPV at 14%, and then, 2) apply stage-appropriate PoS to derive an rNPV. This structure provides transparency, separates structural capital market risk from binary technical risk, and allows sensitivity analysis across both PoS and discount rate parameters. It also enables reverse-engineering of the implied market probability of success embedded in current enterprise value.

**A valuation based on a single plant**. For conservatism's sake our success-case NPV is based on a theoretical titanium dioxide ($TiO_2$) processing facility that uses the RCL technology. The valuation models a single-plant development with a 10-year explicit forecast period, a 3-year commissioning ramp-up, and a terminal value calculated using a perpetual growth framework. Two operating scenarios are presented – an optimistic case based on a 60,000 tpa capacity and numbers Temas has publicly discussed[19] and a base case with more conservative pricing, cost and scale assumptions (see Figure 16). The valuation separates (i) operating and capital assumptions, (ii) cost of capital, and (iii) probability of commercial success, to avoid double-counting technical risk. The DCF incorporates a 3-year ramp-up (60%, 80%, 100% utilisation), a 10-year explicit forecast, assumptions on sustaining capital expenditure, and a terminal value with a modest terminal growth rate. We chose differing tax rates in our base and optimistic cases to reflect the wide divergence of corporate tax rates (combined Federal and provincial) in Canada, as a proxy for different jurisdictions internationally.

The 14% discount rate reflects the cost of capital appropriate for a small-cap industrial development and a first-of-a-kind processing facility, conditional on technical success. Binary commercialisation risk is incorporated separately via a 35% probability-of-success adjustment consistent with pilot-stage industrial technologies. The resulting valuations are $0.84 per share in our base case and >$3 in our bull case, as per Figure 17 and Figure 18.

[18] Duff & Phelps (Cost of Capital Navigator); valuation guidance from KPMG and PwC regarding small-cap cost of equity benchmarks
[19] See the company's February 2026 presentation, slide 8.

**Figure 17: Our DCF assumptions**

| | Base Case | Optimistic Case |
|---|---|---|
| Success Case NPV (US$m) | 166.5 | 667.9 |
| Risk-Adjusted NPV | 58.3 | 233.8 |
| Success Case NPV (A$m) | 234.4 | 940.7 |
| Risk-Adjusted NPV | 82.1 | 329.2 |

*Estimates: Pitt Street Research*

**Figure 18: Our valuation in per share terms**

| Valuation | Base Case | Optimistic case |
|---|---|---|
| **Value of RCL (A$)** | **82.1** | **329.2** |
| ASX CDIs (million) | 55.0 | 55.0 |
| CSE shares (million) | 31.3 | 31.3 |
| Unlisted shares (million) | 11.5 | 11.5 |
| **Total shares (m)** | **97.8** | **97.8** |
| **Implied price (A$)** | **$0.84** | **$3.37** |
| Current price (A$) | $0.17 | $0.17 |
| Upside (%) | 394% | 1880% |

*Estimates: Pitt Street Research*

**There are 3 points investors must remember about this valuation approach**.

- The valuation is highly sensitive to realised $TiO_2$ pricing and margin spread.
- The Optimistic Case demonstrates substantial operating leverage at 60,000 tpa scale.
- Risk-adjusted valuation appropriately discounts commercial scale-up risk while preserving transparent capital market assumptions.

**We foresee Temas being re-rated to our valuation range** driven by the following factors:

– Progressing the RCL technology towards commercialisation by:
  - i) Securing additional commercial partnerships,
  - ii) Potential JV-partnering or licensing deals,
  - iii) Further research collaborations,
  - iv) Further validation of RCL.
  - v) Filing additional patents.
  - vi) Beginning the process to select the site for a pilot plant.
  - vii) Testing RCL with a wider range of metals.

## Could Temas be Metallium 2.0?

*In our view, Temas is where Metallium was in October 2024 from a development standpoint.*

**A good case study on Temas is another ASX-listed company called Metallium,** ASX: MTM). Metallium has FJH (Flash Joule Heating) technology that could recover metals from ores and wastes through generating heat as high as 3,000 degrees Celsius in less than a second. Pitt Street published its first note on Metallium (then known as MTM Critical Metals) in October 2024. In our view, Temas is roughly where Metallium was back then in having conducted pilot testing that has demonstrated potential of the technology although lacking commercial agreements and its own commercial pilot plant. But Metallium ended up achieving both feats, re-rating to $114.6m by mid-January 2025 (just 3 months after our initiation and weeks after its first commercial collaboration with Indium) and then to $422.6m by mid-July 2025 and to over $600m by mid-January 2026.

**Metallium executed on virtually everything it promised investors**, and received a further tailwind in the form of Donald Trump's tariffs which (even prior to implementation) promised significant savings to metals processing companies. So, it goes without saying Temas' execution will need to be near-perfect (if not perfect) for the company to realise any upside. But even now, we think the company is undervalued relative to what it has already done.

**Temas has one pertinent difference to Metallium in having its own metals projects**. We think this could be both an advantage and a disadvantage. On one hand, Temas may not need its own feedstock suppliers (at least not in the short to medium term) and be able to use it as a 'testbed' for the technology and this is what Temas plans to do. It could be a negative in the sense of having higher overall capex in having to allocate some to the project as well, although this problem could be resolved with research or joint venture partnerships involving the partner paying a share of development costs.

## Other peers also show further upside is possible, but there's a minimum standard to achieve before a re-rating

Temas' has more than half a dozen peers in the metals processing stage at various stages of development but all of them are much higher than Temas. Even so, many of these depict that a company does not have to have commercialised a technology to realise upside. Nonetheless only two are capped above A$1bn (IperionX and Silex Systems) (Figure 19) and these are several months into the commercialisation stage.

**Figure 19: Temas' ASX peers**

| Company | Code | Mkt Cap (A$m) | Activity | Stage |
|---|---|---|---|---|
| IperionX | IPX | 1,980 | Titanium recovery & manufacturing tech | Advanced pilot |
| Silex Systems | SLX | 1,900 | Uranium processing tech | Commercialised |
| Metal Powder Works | MPW | 279 | Metal additive & powder production | Commercialised |
| Alpha HPA | A4N | 833 | High purity alumina production from waste | Commercialised |
| Titomic | TTT | 313 | Metal additive manufacturing technology | Advanced pilot |
| Amaero | 3DA | 262 | Metal additive & powder production | Advanced pilot |
| Calix | CXL | 218 | Electric kiln heating technology | Advanced pilot |
| Metallium | MTM | 553 | Metal recovery tech (rapid heating) | Prototype, pilot plant underway |

*Source: Pitt Street Research[20]*

[20] Data as at 24 February 2026.

## IperionX and Silex lead the pack of remaining peers

*IPX and SLX are the most advanced, being in a commercial stage. But other peers in a pilot stage show that companies can re-rate significantly even then.*

IPX and SLX are directly involved in the US government's push to onshore critical metals – IperionX by domestic titanium metal production and manufacturing, and Silex by enabling sovereign nuclear-fuel enrichment capability. Silex has formally licensed its technology out to Global Laser Enrichment (GLE) in a deal involving at least 7% of revenues to be paid in royalties and up to US$20m in total triggered by certain milestones[21].

Both companies have directly or indirectly received government funding: IPX received US$60m in various funding/grants, while Silex's licensee was chosen as one of six awardees under a US$3.4bn Department of Energy Program to enrich America's nuclear capacity. And of course, as would go without saying by the point of receiving government funding, both technologies underwent extensive qualification and passed with flying colours.

## Other ASX peers

While peers at the pilot or advanced pilot stage are capitalised in the hundreds of millions, they have varying degrees of success. To be clear, when we say advanced pilot, we mean there is a pilot in a plant build for this specific purpose and it is 'working'. However, any plants are not commercial scale just yet, even if some nominal revenue may be flowing in and/or there may be third-party validation.

Turning briefly to the other peers on our list. MPW is probably the most 'industrialised' of the other peers. While lacking a commercial-scale powder plant and long-term offtake contracts, it has worked at a qualification-scale and demonstrated continuous powder production. Titomic is commercially active but is still proving economic scalability and consistent profitability. Amaero and A4N have proven themselves technically, but economic proof remains a work in progress.

Some investors may be wondering why A4N attracts such a high premium. Perhaps it is merely certain perceptions by analysts, brokers or investors. Maybe they think A4N is more strategically aligned than its peers to critical mineral or energy security initiatives or they may think it is more likely to work at scale; and, consequently, attracting a premium. In any event, A4N is trading at lower value to SLX and IPX that are at a commercial stage.

*The market capitalisations of Temas' peers depict there is enormous potential for Temas to re-rate.*

If you apply the market capitalisations to Temas' current shares on issue, then these range from $1.29 to $14.00 per share. Now these should not be taken literally because all these companies have had to raise significant capital – IPX for instance has raised A$170m in fresh equity the last couple of years and this has not included further non-equity financing obtained. It is likely Temas will need to as well in the future. Nonetheless, the market capitalisations of all these companies depict there is enormous potential for Temas to re-rate if (and only if) it can make the same progress all of the aforementioned companies have.

[21] US$5m at commercial pilot demonstration, US$5m at commencement of construction of a Laser Enrichment Facility and US$10m upon commercial operations commencing.

## Non-ASX peers

There are various non-ASX companies that could also serve as comparables and show high premiums to the current Temas valuation (see Figure 20).

**Figure 20: Temas' non-ASX peers**

| Company | Exchange | Code | Country | Market Cap (US$m) | Market Cap (A$m) | Primary Technology Focus |
|---|---|---|---|---|---|---|
| Standard Lithium | TSX-V | SLI | US | 1,083 | 1,534 | Direct lithium extraction (DLE) processing technology |
| Ucore Rare Metals | TSX-V | UCU | Canada | 563 | 798 | Rare earth separation processing technology |
| Graphene Manufacturing Group | TSX-V | GMG | Canada | 323 | 458 | Industrial graphene production and materials processing |
| Electra Battery Materials | Nasdaq | ELBM | Canada | 124 | 176 | Battery materials refining and recycling technology |
| Nano One Materials | TSX | NANO | Canada | 83 | 118 | Cathode active material processing technology |
| HPQ Silicon | TSX-V | HPQ | Canada | 63 | 89 | Green silicon and materials processing platform |
| E3 Lithium | TSX-V | ETL | Canada | 68 | 96 | Lithium brine DLE processing technology |
| | | | **AVERAGE** | **330** | **467** | |

*Source: Company*[22]

## La Blache: $0.44 per share but this could be just the beginning

***As the PEA for La Blache is based only Inferred Resources, we cannot value Temas on that basis – but we have modelled the project, and this shows there is significant potential.***

We valued La Blache at $0.44 per share, having done our own modelling of the project and assigned a highly conservative % of NPV (1%). We have not valued Lac Brule as it has neither a defined Resource nor a scoping or feasibility study. La Blache has a PEA with NPV, although is only based on Inferred Resources and had to be withdrawn prior to listing on the ASX. As we noted earlier, this was not because the work was defective in any way, but because the ASX does not permit NPVs purely based on Inferred Resources. Nonetheless, we have done modelling on La Blache and have found there is potential there.

We have run our own model of La Blache based on the inputs of the PEA and found such a project could attract an NPV of C$3.9bn/A$4.3bn (Figure 21). Of course it is too early to simply say investors should attribute A$4.3bn in value to the project. It will cost significant time and money to get the project operating (over C$1bn). The IRR assumed *all* required financing would be equity based[23] and even if there was a 50-50 split between debt and equity, it would still be significantly dilutive.

Nonetheless, our model did find that such a mine could be lucrative. Our assumptions for our model were as follows (and are outlined in further details in Figure 23, Figure 24, Figure 25, Figure 26, and Figure 27 in Appendix III):

– **Mine operating life**. We assumed a 14-year mine life, commencing in FY30 with capex spending on construction commencing 2 years prior to that.

– **Geotechnical metrics.** Taking the 208.5Mt Resource, we assumed a 95% mining recovery, a 7.9Mtpa mill throughput rate and 660ktpa over the 14-year mine life envisioned in the PEA.

– **Pricing.** We used US$2,200/t of titanium or C$3,036/t at current exchange rates. While the first of these figures was the 'headline price', in the PEA, the revenue assumptions implied a price closer to US$2,500/t which seemingly accounts for product credits. We have chosen not to for conservatism's sake in our base case, but also looked at NPVs in higher pricing scenarios and we get to this shortly.

[22] Data correct as of 24 February 2026.
[23] P.208 of the PEA.

- **Capex.** We assumed C$1,077.6m in pre-production capex, and we assumed it would be split over three years from 2 years before the mine enters production until the end of the first year. We then assumed sustaining capex over the life of mine of C$544.5m which equates to C$38m per year.
- **Opex.** We calculated this on a per tonne of mill feed basis – C$120.7/t mill feed.
- **Depreciation.** We modelled for Temas to depreciate the capex invested over the life of mine equally – 7% a year or C$77m. This figure reduces the NPAT, but is added back on for the purposes of calculating cash flows.
- **Tax.** We used a 27.7% rate accounting for 15% federally, 11.2% provincially and 1.2% locally.
- **Discount rate.** We used a discount rate of 8%.

Investors may notice our final NPV is a discount from the PEA. This is because our pricing was slightly lower (given we only used US$2,200/t and assumed no further credits) but also because of depreciation. Crucially, we made no assumptions about financing (i.e. debt vs equity) which the PEA did not, but if we made such assumptions, the NPV would be lower. We also note that vanadium, gallium and scandium have not been included at this stage and they could be even more lucrative even if only a small quantity of each was included[24]. See Appendix III for a more comprehensive outline of our assumptions.

**Figure 21: Outcomes of our modelling**

| Outcomes (Base Case) | | |
|---|---|---|
| **Metrics** | **Units** | **Value** |
| Total Revenue | C$m | 27,251.14 |
| Total profit | C$m | 9,288.50 |
| Total cash flows | C$m | 8,748.76 |
| NPV (at 8% IRR) | C$m | 3,947.18 |
| NPV in AUD | A$m | 4,341.90 |
| IRR | % | 53.7% |

*Source: Company*

## Upside to $0.44 per share in a base case

*We place no value on Lac Brule at this point in time, and it is likely a PEA based on Inferred Resources would have to be treated in the same way as the PEA for La Blache.*

While Temas does have a Resource and an early-stage study (a PEA), investors should be cautious about valuing it at this stage. We think investors could value it at 1% of NPV and 1% of our base case NPV is $43.4m which is $0.44 per ordinary share. We also constructed a bull case which was the same as our base case but with a C$3,340/t operating price, 10% higher, and this derived a C$4.9bn/A$5.4bn NPV – 1% of this would be $0.55.

Realistically, the earliest investors could value Temas with a higher % of NPV could be when it has a PFS and even then, anything above 15% would be too optimistic at that stage. Nonetheless, a PFS could show a figure higher than a PEA, especially if it took account of the potential to use RCL technology.

We place no value on Lac Brule at this point in time, and it is likely a PEA based on Inferred Resources would have to be treated in the same way as the PEA

[24] SRL's scandium project has barely above 1,300/t scandium and yet it is hailed as one of the world's most important projects.

for La Blache. It could give a very general idea of what a future operating mine could look like, but investors should be cautious.

### Valuation summary

Our final valuation is $1.28 per share in our base case and $3.92 in our bull case (Figure 22). This suggests there is significant upside to be realised and this could be conservative given that we used only 1% of NPV for La Blache, did not value Lac Brule and valued the Regenerative Chloride Leach opportunity using a staged probability-of-success (PoS) framework and a higher-than-normal discount rate. The fact that many of Temas' peers are capitalised in the hundreds of million is a positive sign too – our base case valuation is barely over A$120m which is below many peers.

However, the company's execution will need to be perfect and there are development and financial risks which will need to be overcome.

**Figure 22: SOTP valuation of Temas**

| | Base Case | Bull Case |
|---|---|---|
| RCL | 0.84 | 3.37 |
| Production | 0.44 | 0.55 |
| **Price per share** | **1.28** | **3.92** |
| *Upside* | *655%* | *2208%* |

*Source: Pitt Street Research*

## Risks

We see the following key risks to our investment thesis:

– **Funding risk**: Inevitably, Temas will require external funding to support its commercial plans and the steps necessary to get there, particularly upgrading and expanding the resources as well as developing the technology. Raising funds on favourable terms (both debt and equity) along with timeliness can be a key challenge for the company.

– **Exploration risk.** The company's projects are at the early-stage exploration phase, and the current resource is entirely Inferred. There is no guarantee that further work will upgrade the resource, let alone that it will be able to be economically mined.

– **Development risk.** There is the risk the company may not be able to overcome certain obstacles at its projects in particular the supply of fuel and electricity to the site, as well as the ability to access the site other than by helicopter. There is the risk that these and other issues could significantly increase the capex of the project, or even make development insurmountable.

– **Regulatory risk**. The company's ability to operate is contingent on various mining, legislation, environmental laws, royalties, taxation and other regulations. These already existing regulations, and the risk of new ones, could affect the feasibility of the company's projects or its technology.

- **Technological risk**. Although the company's technology has potential, it is subject to several challenges, some unique to any start-up technology including scale-up, development, competitive and market adoption risks; but also risks particular to mineral processing technology including multi-stream challenges and variations in regulatory challenges across different streams.
- **Underlying commodity risk**: Temas is exposed to commodity price risk, and the viability of its business model is dependent on continued global demand and favourable pricing for its commodities. Commodity prices are subject to international market fluctuations that are outside the Company's control, and a sustained decline in prices would likely impact project economics or delay development decisions.
- **Key personnel risk**: There is the risk that the company may lose key personnel and be unable to replace them and/or their contribution to the business.

Australian investors should also consider that they are not 'shareholders' in the traditional sense, but owners of CDIs (Chess Depository Interests) as well as that their rights will be governed by Canadian law which can differ in certain respects from the rights and responsibility of shareholders of Australian company. It may be difficult to enforce a judgement of an Australian court against the Company, its officers and directors in Canada or elsewhere, to assert Australian securities law claims in Canada or to serve process on the Company's directors and officers. Provisions of Canadian law and the Company's articles may delay, prevent or otherwise impede a merger with, or an acquisition of, the Company even where the terms of such a transaction are favourable to the Company and its CDI Holders.

## Appendix I – Capital Structure

| Class | In Millions | % of dully diluted |
|---|---|---|
| Canadian ordinary shares | 36,916,269 | 32% |
| Australian CDIs | 59,500,000 | 51% |
| Options | 3,471,500 | 3% |
| Performance shares | 15,751,892 | 14% |
| **Fully diluted shares** | **115,639,661** | |

*Source: Company*

*Note: Ordinary shares include CDIs. 1 CDI = 1 Ordinary share*

## Appendix II – Patents underpinning RCL

- **WO/2013/086606**, *Separation of iron from value metals in leaching of laterite ores*, priority date 12 December 2011. Invented by Vaikuntam Lakshmanan, Ramamritham Sridhar, Jonathan Chen, M.A. Halim and Robert Delaat.
- **WO/2013/152423**, *Process for extraction of rare earth elements*, priority date 9 April 2012. Invented by Vaikuntam Lakshmanan, Ramamritham Sridhar and M. A. Halim.
- **WO/2013/152424,** *Chloride process for the leaching of gold*, priority date 9 April 2012. Invented by Vaikuntam Lakshmanan, Ramamritham Sridhar and M. A. Halim.
- **WO/2014/153639**, *Recovery of nickel in leaching of laterite ores*, priority date 27 March 2013. Invented by Vaikuntam Lakshmanan, Ramamritham Sridhar, M. A. Halim, Jonathan Chen and Robert Delaat.
- **WO/2014/085903**, *Process for the separation of iron in extraction of titanium in mixed chloride media*, priority date 4 December 2012. Invented by Vaikuntam Lakshmanan, Ramamritham Sridhar and Dipak Patel.

## Appendix III – Our modelling assumptions on La Blache

**Figure 23: Inputs of our modelling (mining and production)**

| Mining and production | | |
|---|---|---|
| **Metrics** | **Units** | **Value** |
| **Resource** | Mt | 208.5 |
| Grade | % | 12.29% |
| Price | US$/t | 2,200 |
| Recovery (massive oxide) | % | 71.80% |
| Recovery (semi-massive oxide) | % | 65.00% |
| | | |
| **Geotechnical Metrics** | | |
| Mine Life | Years | 14 |
| *Dilution* | % | 5% |
| *Mining Recovery* | % | 95% |
| Strip Ratio | Ratio to 1 | 3.5 |
| *Mill Throughput rate* | Mtpa | 7.9 |
| *Annual production* | ktpa | 660.0 |
| *Pit slope angle* | Degrees | 45 |
| *Ore dilution* | % | 7.50% |
| *Implied Resource mined* | MT | 109.9 |
| *Implied Resource mined* | % | 52.7% |
| *Implied titanium recovery factor* | % | 8.41% |

*Source: Company*

**Figure 24: Outcomes of our modelling (pre-production capex)**

| Pre-production Capex assumptions | | |
|---|---|---|
| **Metrics** | **Units** | **Value** |
| *Open Pit Mining* | C$m | 466.2 |
| *Mineral Processing* | C$m | 95.0 |
| *Power, Electrical and Instrumentation* | C$m | 69.0 |
| *Site Infrastructure and Support Services* | C$m | 103.1 |
| *Water Management* | C$m | 34.2 |
| *Tailings and Mine Waste Management* | C$m | 20.9 |
| ***Total direct capex*** | **C$m** | **788.4** |
| *Mining closure bond* | C$m | 30.0 |
| *Indirect and owner costs* | C$m | 150.5 |
| *Contingency* | C$m | 108.7 |
| ***Total Pre-production capex*** | **C$m** | **1,077.6** |

*Source: Company*

**Figure 25: Outcomes of our modelling (sustaining capex)**

| Sustaining capex assumptions (LOM) | | |
|---|---|---|
| **Metrics** | **Units** | **Value** |
| *Open Pit Mining* | C$m | 249.3 |
| *Mineral Processing* | C$m | 66.5 |
| *Power, Electrical and Instrumentation* | C$m | 17.1 |
| *Site Infrastructure and Support Services* | C$m | 40.5 |
| *Water Management* | C$m | 10.0 |
| *Tailings and Mine Waste Management* | C$m | 7.0 |
| ***Total direct capex*** | **C$m** | **390.4** |
| *Indirect costs* | C$m | 20.3 |
| *Owner costs* | C$m | 7.0 |
| *Contingency* | C$m | 126.8 |
| ***Total Sustaining capex*** | **C$m** | **544.5** |

*Source: Company*

**Figure 26: Outcomes of our modelling (opex assumptions)**

| Opex assumptions | | |
|---|---|---|
| **Metrics** | **Units** | **Value** |
| *Mining* | C$/t mined | 4.9 |
| *Mining (S.R. 3.51)* | C$t/ mill feed | 20.1 |
| *Milling* | C$t/ mill feed | 40.1 |
| *G&A* | C$t/ mill feed | 4.9 |
| *Concentrate Transport* | C$t/ mill feed | 50.6 |
| ***Total*** | **C$t/ mill feed** | **120.7** |

*Source: Company*

**Figure 27: Outcomes of our modelling (general end economic)**

| General and Economic | | |
|---|---|---|
| **Metrics** | **Units** | **Value** |
| Exchange rate | USD to CAD | 1.38 |
| Exchange rate | CAD to AUD | 1.10 |
| Canadian federal income tax | % | 15.0% |
| Quebec provincial tax | % | 11.5% |
| Provincial tax | % | 1.20% |
| All inclusive rate | % | 27.7% |
| Titanium price | US$ | 2,200.00 |
| Titanium price | C$ | 3,036.00 |
| Discount rate | % | 8% |

*Source: Company*

## Appendix IV – Analysts' Qualifications

Stuart Roberts, lead analyst on this report, has been an equities analyst since 2002.

- Stuart obtained a Master of Applied Finance and Investment from the Securities Institute of Australia in 2002. Previously, from the Securities Institute of Australia, he obtained a Certificate of Financial Markets (1994) and a Graduate Diploma in Finance and Investment (1999).
- Stuart joined Southern Cross Equities as an equities analyst in April 2001. From February 2002 to July 2013, his research speciality at Southern Cross Equities and its acquirer, Bell Potter Securities, was Healthcare and Biotechnology. During this time, he covered a variety of established healthcare companies, such as CSL, Cochlear and Resmed, as well as numerous emerging companies. Stuart was a Healthcare and Biotechnology analyst at Baillieu Holst from October 2013 to January 2015.
- After 15 months over 2015–2016 doing Investor Relations for two ASX-listed cancer drug developers, Stuart founded NDF Research in May 2016 to provide issuer-sponsored equity research on ASX-listed Life Sciences companies.
- In July 2016, with Marc Kennis, Stuart co-founded Pitt Street Research Pty Ltd, which provides issuer-sponsored research on ASX-listed companies across the entire market, including Life Sciences companies.
- Since 2018, Stuart has led Pitt Street Research's Resources Sector franchise, spearheading research on both mining and energy companies.

Nick Sundich is an equities research analyst at Pitt Street Research.

- Nick obtained a Bachelor of Commerce/Bachelor of Arts from the University of Sydney in 2018 and the designation of Financial Modelling & Valuation Analyst by the Corporate Finance Institute. He has also completed the CFA Investment Foundations program.
- He joined Pitt Street Research in January 2022. Previously he worked for over three years as a financial journalist at Stockhead.
- While at university, he worked for a handful of corporate advisory firms

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