



Meteoric Resources Ltd (MEI.ASX)

Just gets better

Event:

- Updated scoping study; Brazil Investment Platform.

Investment Highlights:

- Figueira boosts economics.** The updated Caldeira Scoping Study now accounts for mining of Figueira in addition to Soberbo and Capao do Mel, and has lifted the TREO head grade for LOM by 6% to 3,724ppm from the 3,524ppm of the prior study, increasing both TREO and NdPr production by 7%. Revenue and EBITDA rise 7% and 10%, while AISC falls 1%. NPV₈ post-tax is up 15% to US\$804M from US\$699M, with NPV/start-up capex more attractive at 2x.
- In-line with our estimate.** The update was largely in-line with our model, which had already factored in Figueira. Other key parameters were unchanged, including LOM 20 years at 5Mtpa, start-up capex of US\$403M, and price assumptions based on 40% discount to Adamas forecasts.
- 100% Measured & Indicated instils confidence.** Figueira's inclusion meant the study was based on 100% of Measured and Indicated Resources – enhancing confidence in the results and minimising geological, mining, and processing risk, providing a solid platform to build upon for the PFS and DFS.
- Spot scenario now more attractive and envy of peers.** A spot case scenario was also shown, with NdPr now US\$60/kg - up from US\$51/kg in July. The US\$9/kg increase markedly impacts the economic robustness of Caldeira, with NPV₈ and IRR₈ post-tax rising to US\$174M and 15%. While many REE projects linger in no-man's land waiting for prices to rise, no such qualms impact MEI.
- Further optimisation opportunities.** We still expect potential for extending the 20-year LOM given the Resource scale, and there is scope for expanding capacity to 10Mtpa from 5Mtpa, as well as mining further high-grade (>4,000ppm TREO) in the early years.
- Timeline intact.** We expect the PFS and the award of the Preliminary Licence, both in 1Q 2025. However, the latter could arrive by the end of 2024. DFS is due 3Q 2025, and the award of the Construction Licence by end 2025.
- Brazilian support enhanced via new funding initiative - BIP.** The Brazilian Government launched the Brazil Climate and Ecological Transformation Investment Platform (BIP), together with the Brazilian Development Bank. The objective is facilitating investment and capital to help Brazil's climate transition, and BIP will seek partnering with multilateral banks and climate funds.
- Caldeira one of seven examples identified by Government.** The BIP identified US\$10.8b of worth of projects that could benefit from BIP, naming seven examples, one of which was Caldeira. This widens MEI's funding options.

Earnings and Valuation:

- No major changes to earnings forecasts or valuation of \$0.29/share (0.4x NPV₁₀ nominal).

Recommendation:

- We maintain both our Buy and 12-month price target of \$0.29 based on risked valuation. Major catalysts for the stock including: 1) Preliminary Licence 2) PFS; 3) DFS; 4) Construction Licence; and 5) Offtakes and financing.

Disclosures

The analyst owns 73,100 MEI shares.

Foster Stockbroking, staff, and Cranport own 1.0% of MEI shares.

Recommendation	Buy
Previous	Buy
Risk	High
Price Target	\$0.29
Previous	\$0.29
Share price (A\$)	\$ 0.097
ASX code	MEI
52 week low-high	\$0.082-0.31
Valuation (A\$/share)	\$ 0.29
Methodology	risked NPV

Capital structure

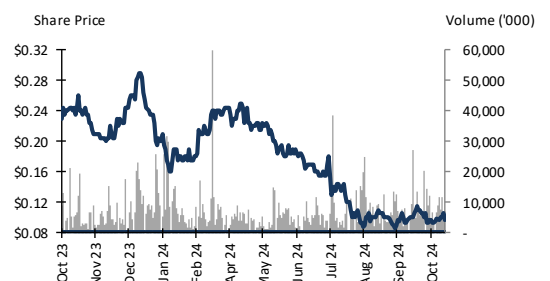
Ordinary shares (M)	2,299
Performance shares (M)	75
Performance rights (M)	65
Options (M)	9
Market cap (A\$M)	223
Net cash (debt) (A\$M)	45
EV (A\$M)	178
Ave daily volume ('000)	7,252

Y/e Jun A\$M	FY24a	FY25e	FY26e	FY27e
Sales adj	0	0	0	0
EBITDA adj.	-45	-19	-14	-14
NPAT reported	-16	-18	-13	-12
NPAT adj	-45	-18	-13	-12
EPS adj. c	-2.3	-0.8	-0.3	-0.3
P/E x	nm	nm	nm	nm
EV/EBITDA x	nm	nm	nm	nm

Board

Andrew Tunks	Executive Chair
Marcel de Carvalho	Executive Director
Peter Gundy	Non-Executive Director
Paul Kitto	Non-Executive Director
Dr Nomi Prins	Non-Executive Director

Share price graph



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