EQUITY RESEARCH

Materials

30 April 2026

Meteoric Resources Ltd (MEI.ASX)

Foot on the floor, four on the floor

Event:

- **Serra Verde implications; placement; REE forecasts and price-target changes.**

Investment Highlights:

- **Serra Verde acquisition highlights value of Brazilian ionic clays.** US Rare Earth (USAR) last week announced its US$2.8b purchase of Serra Verde which owns the Pela Ema ionic clay REE mine in Brazil. In conjunction, an offtake agreement with an SPV capitalised by the US Government and private parties was disclosed, underpinned by floor pricing for the four MREOs - Nd, Pr, Dy, and Tb.
- **Strengthens Brazil-US critical mineral ties**. We view the acquisition as positive for MEI from a number of aspects. First, it entails a key interlink between the US and Brazil in critical minerals - in this case the US financing a Brazilian REE mine and gaining offtake. It bodes well for MEI in its discussions with offtakers/financiers, some of which are US entities.
- **Consolidation of floor pricing.** The inclusion of floor pricing in Serra Verde's offtake follows those announced by MP Materials and Lynas Rare Earths, consolidating it as a likely precedent for offtake with emerging REE producers such as MEI.
- **Desirability of heavy rare earths.** Serra Verde has significant amounts of the heavy REEs (HREEs) Dy and Tb, in which China has a more pronounced dominance of supply. Caldeira can produce valuable Dy and Tb, increasing its desirability as a source.
- **Valuation upside.** The USAR transaction valued Serra Verde at US$438/kg of REO production vs MEI which is trading US$23/kg of its targeted REO production. This shows the significant re-rate that MEI can achieve as it demonstrably advances Caldeira into eventual production.
- **Upgrades to REE prices.** We upgrade our REE price forecasts, increasing our basis more on emerging Western prices as opposed to China, as these bifurcate between the two regions and are reflected in floor prices. The biggest upgrade has been to the HREEs – our long-term price for Dy lifts by 28% to US$451/kg and for Tb by 72% to US$1,459/kg. These are still lower than the floors for Serra Verde and we still may be too conservative.

Earnings and Valuation:

- **Upgrades to long-term earnings forecasts.** These have increased for MEI due to our REE price upgrades.
- **MEI valuation increases to $0.41 from $0.32 (0.5x NPV$_{10}$).** This is due to our upgrade to REE price forecasts, partially offset by dilution from the recent $40M equity placement undertaken at $0.17. The company now has pro-forma cash of $58M, which should provide sufficient pathway to FID, which we expect by end 2026.

Recommendation:

- **We maintain our Buy, raising our 12-month price target to $0.41 from $0.32,** based on risked valuation. Major catalysts include: 1) Grant of Construction Licence (LI); 2) DFS completion; 3) Offtakes and financing; 4) FID and 5) Corporate activity.

Disclosures

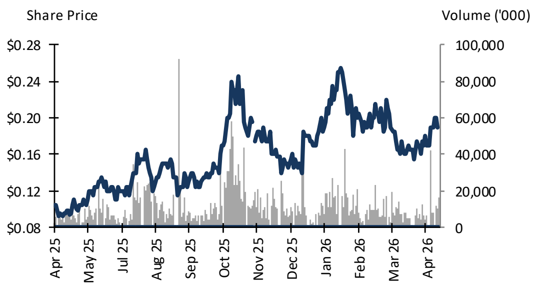
The analyst owns 73,100 MEI shares.
Foster Stockbroking, staff, and Cranport <1% of MEI shares on issue.

Recommendation	**Buy**
Previous	Buy
Risk	Medium
Price Target	**$0.41**
Previous	$0.32
Share price (A$)	**$ 0.190**
ASX code	MEI
52 week low-high	$0.09-0.26
Valuation (A$/share)	**$ 0.41**
Methodology	risked NPV
Capital structure	
Ordinary shares (M)	2,882
Performance shares (M)	25
Performance rights (M)	64
Options (M)	12
Market cap (A$M)	548
Net cash (debt) (A$M)	58
EV (A$M)	490
Ave daily volume ('000)	11,560

Y/e Dec A$M	FY25a	FY26e	FY27e	FY28e
Sales adj	0	0	0	0
EBITDA adj.	-34	-29	-13	-13
NPAT reported	-34	-28	-13	-20
NPAT adj	**-33**	**-28**	**-13**	**-20**
EPS dil. adj. c	**-1.5**	**-1.0**	**-0.3**	**-0.5**
P/E x	**nm**	**nm**	**nm**	**nm**
EV/EBITDA x	nm	nm	nm	nm

Board	
Andrew Tunks	Executive Chair
Stuart Gale	Managing Director
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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