FOSTER STOCKBROKING

EQUITY RESEARCH

Materials

11 August 2026

Meteoric Resources Ltd (MEI.ASX)

Tier-1 economics unchanged

Event:

- **Caldeira DFS; REE price forecast and price-target changes.**

Investment Highlights:

- **Tier-1 project reinforced**. MEI's DFS Caldeira DFS reinforced the credentials of a compelling world class REE project. Though there were changes vs the PFS, when pluses and minuses added up, it resulted in no significant change to the overall economics. On the plus side the life of mine has been extended to 23 years and now underpinned wholly by Reserves, a positive for economics and enhancing facilitation of offtake discussions.
- **Costs up but margin still high.** Lower head grade, together with inflationary pressures, impacted unit costs vs the PFS, with AISC rising to US$16.74/kg TREO and C1 increasing to US$27/kg NdPr. Nevertheless, an attractive cash margin of 49% is made at US$47/kg TREO basket, or US$33/kg payable basis. Capex was up 12% to US$498M mostly for whole-of-ore processing.
- **NPV hardly changed.** The DFS NPV_8 post-tax landed at US$847M, only a touch up on the US$835M of the PFS. Higher NdPr spot US$129/kg, longer life, and higher peak mill feed counterbalanced the effects of lower head grade and higher capex. However, we believe higher recoveries, based on the performance of the pilot plant, where 80% average MREO recovery was achieved in May 2026, presents upside to the DFS's 71%.
- **Major offtake MoU**. MEI recently announced a non-binding offtake agreement with POSCO, which has JVs in the US for separation, purification, and oxide and metal magnet production. POSCO has already successfully processed Caldeira MREC at both South Korean and US facilities.
- **Floor pricing flexibility.** Recent examples have landed at U$110/kg NdPr: for Serra Verde, Lynas Rare Earths (LYC), and MP Materials (MP). These come at cost to profit share on upside, typically 30%. However, we expect MEI can contemplate a lower floor in exchange for keeping more profit upside, facilitated by Caldeira's low position on the cost curve.
- **Downstream opportunity.** MEI is studying downstream rare earth oxide separation and potential rare earth metals and magnets production. As a first step, it is examining removal of low-value La and Ce from the MREC, which would make it more valuable and reduce transport costs.
- **Next steps.** The Installation Licence is the next permitting milestone, expected as early as October and by end 2026. In the interim the company is progressing offtake and financing negotiations.

Earnings and Valuation:

- **MEI valuation increases to $0.48 from $0.41** (0.6x NPV_{10} nominal), mostly due to our long-term NdPr price upgrade to UD$114/kg from US$111/kg and derisking of Reserves valuation following DFS completion, both more than offsetting higher operating and capital costs.

Recommendation:

- **We maintain our Buy, raising our 12-month price target to $0.48 from $0.41,** based on risked valuation. Major catalysts include: 1) Grant of Installation Licence (LI); 2) Offtakes and financing; 3) FID and 4) Corporate activity.

Disclosures

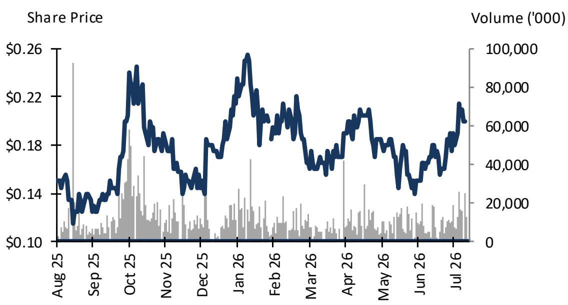
The analyst owns 73,100 MEI shares.
Foster Stockbroking, staff, and Cranport own 1.1% of MEI's shares on issue.

Recommendation	**Buy**
Previous	Buy
Risk	Medium
Price Target	**$0.48**
Previous	$0.41
Share price (A$)	**$ 0.200**
ASX code	MEI
52 week low-high	$0.10-0.26
Valuation (A$/share)	**$ 0.48**
Methodology	risked NPV
Capital structure	
Ordinary shares (M)	2,907
Performance shares (M)	25
Performance rights (M)	59
Options (M)	12
Market cap (A$M)	581
Net cash (debt) (A$M)	38
EV (A$M)	543
Ave daily volume ('000)	11,793

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**	**-0.4**
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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Meteoric Resources (MEI)

Full Year Ended 31 December

Profit and Loss A$M	2025a	2026e	2027e	2028e
Revenue	0	0	0	0
Operating costs adj.	34	29	13	13
EBITDA adj.	**-34**	**-29**	**-13**	**-13**
D&A	0	0	0	0
EBIT adj.	**-34**	**-29**	**-13**	**-13**
Net Interest exp / (income)	-1	-1	-1	6
PBT adj.	**-33**	**-28**	**-13**	**-20**
Tax exp / (benefit) adj.	0	0	0	0
NPAT adj.	**-33**	**-28**	**-13**	**-20**
Non-recurring items	0	0	0	0
NPAT reported	**-34**	**-28**	**-13**	**-20**
EPS diluted adj. (c)	**-1.45**	**-1.00**	**-0.28**	**-0.43**

Cashflow A$M	2025a	2026e	2027e	2028e
EBITDA adj.	-34	-29	-13	-13
Change in WC	0	0	0	-54
Tax	0	0	0	0
Net interest	1	1	1	-6
Share based expense	0	0	0	0
Other	2	0	0	0
Operating Cashflow	**-31**	**-28**	**-12**	**-73**
Capex	-1	0	-284	-427
Exploration	-2	-2	-2	-2
Investments	0	0	0	0
Acquisition	-2	-9	0	0
Other	0	0	0	0
Investing Cashflow	**-5**	**-12**	**-287**	**-429**
Equity issue	43	40	320	0
Debt repayments	0	0	0	0
Debt borrowed	0	0	240	240
Other	2	0	0	0
Financing Cashflow	**45**	**40**	**560**	**240**
Net Cashflow	**8**	**1**	**261**	**-263**

Balance Sheet A$M	2025a	2026e	2027e	2028e
Cash	32	32	33	294
Receivables	4	4	4	4
Inventories	0	0	0	0
PPE	3	3	28	312
Capitalised explroation	18	18	0	0
Other	3	3	16	18
Total Assets	**60**	**60**	**81**	**628**
Accounts payable	6	6	6	6
Provisions	0	0	0	0
Debt	0	0	240	480
Other	0	0	0	0
Total Liabilities	**6**	**6**	**246**	**487**
Capital & reserves	191	241	561	561
Retained earnings	-138	-166	-179	-198
Total Equity	**54**	**75**	**382**	**363**

Company Valuation				
DCF, WACC 10% nominal				
	Unrisked	Unrisked	Risked	Risked
Segment	**A$M**	**A$/sh**	**A$M**	**A$/sh**
Caldeira DFS	2,160	$0.63	1,728	$0.36
Mining of Resources ex-Reserves	346	$0.10	232	$0.05
Expansion to 10Mtpa	127	$0.04	85	$0.02
Investments	3	$0.00	3	$0.00
Corporate & working capital	-116	-$0.03	-116	-$0.02
Net Cash	38	$0.01	38	$0.01
Future equity	320	$0.09	320	$0.07
Cash from options	4	$0.00	4	$0.00
Total	**2,881**	**$0.84**	**2,293**	**$0.48**
Shares on issue	2,907		2,907	
Future shares from equity raising*	381		1,693	
Deferred consideration	50		50	
Performance shares	25		25	
Performance rights	59		59	
Options	12		12	
Diluted shares	**3,433**		**4,745**	

**Unrisked assumes raised at valuation, risked at near current shareprice.*

Commodity Assumptions		2025a	2026e	2027e	2028e
Prices:					
NdPr oxide	US$/kg	71	101	112	112
Dy_2O_3	US$/kg	273	723	1,102	1,084
Tb_4O_7	US$/kg	1,098	2,480	1,500	3,257
TREO basket	US$/kg	23	47	51	55
MREO basket	US$/kg	21	41	46	49
NdPr basket	US$/kg	16	31	35	35
A$	US$	0.64	0.70	0.70	0.70

Caldeira - JORC Resources and Reserves	Ore Mt	TREO ppm	NdPr ppm	Dy_2O_3 ppm	Tb_4O_7 ppm
Measured	128	2,815	433	23	5
Indicated	574	2,572	412	24	5
Inferred	928	2,091	333	19	4
Total Resource	**1,631**	**2,317**	**368**	**21**	**4**
Reserves	**151**	**3,524**	**821**	**30**	**6**

Capital structure	M
Shares on issue	2,907
Performance shares	25
Performance rights	59
Options	12
Totqal diluted shares now	**3,002**

Substantial shareholders	%
Tolga Kumova	6.7%

Source: Company; Foster Stockbroking estimates

CALDEIRA DFS

No significant change to Tier 1 economics

- MEI released its DFS on the Caldeira REE project, which retained the credentials of a compelling world class REE project remaining intact. Though as expected there were several changes vs the PFS, when the pluses and minuses were added up, it resulted in no significant change to the overall economics.
- The DFS was performed under two price scenarios – a spot case at US$129/kg NdPr, and a forecast price of US$159/kg LOM based on *Adamus Intelligence* and *Argus Media*. We have highlighted the spot case scenario (Figure 1) and this is closer both to our own prior long-term price forecast of US$111/kg and that of the PFS scenario at US$110/kg.

Figure 1: Comparison of DFS vs PFS

Parameter	Unit	*PFS Jul-25*	DFS Jul-26	*Chng %*
Life of Mine	**Years**	***20***	**23**	***15%***
Commodity prices:				
NdPr average	US$/kg	*110*	129	*17%*
TREO basket - gross	US$/kg	*41*	47	*15%*
MREC payability	%	*70%*	70%	*0%*
TREO basket - payable	US$/kg	*29*	33	*15%*
Processing & Production:				
Ore feed	Mt	*129*	151	*17%*
Reserves in feed	Mt	*80%*	100%	*25%*
Mining strip	x	*0.38x*	0.57x	*50%*
Process capacity - peak	Mtpa	*6.0*	7.2	*20%*
Head grade TREO LOM	ppm	*3,701*	3,524	*-5%*
MREO recovery	%	*71%*	71%	*0%*
TREO production average	ktpa	*13.6*	12.5	*-8%*
NdPr production average	ktpa	*4.3*	3.9	*-10%*
DyTb production average	tpa	*130*	125	*-4%*
TREO production LOM	kt	*271.7*	287.5	*6%*
NdPr production LOM	kt	*84.6*	88.8	*5%*
NdPr in TREO concentrate	%	*31%*	31%	*0%*
Financials:				
Sales annual average.	US$M	*385*	410	*6%*
EBITDA annual average	US$M	*213*	219	*3%*
C1 costs	US$/kg TREO	*9.78*	11.68	*19%*
AISC	US$/kg TREO	*13.53*	16.74	*24%*
C1 costs	US$/kg NdPr	*22*	27	*23%*
Pre-production capex	US$M	*443*	498	*12%*
NPV_8 post-tax	US$M	*835*	847	*1%*
NPV/capex	x	*1.9x*	1.7x	*-11%*
IRR	%	*28%*	24%	*-11%*
Payback	years	*2.5*	4.1	*-11%*

Source: Company; Foster Stockbroking estimates.

Longer mine life, underpinned by Reserves

- On the plus side the Caldeira project life of mine (LOM) has been extended to 23 from 20 years, and now is underpinned wholly by Reserves. While positive for economics and emphasising the project's long-life, it also enhances facilitation of discussions regarding offtake and financing.

Plant peaks at 7.2Mtpa

- While the process plant capacity design remains unchanged at 6Mtpa vs the PFS, debottlenecking initiatives in year seven lift it to 7.2Mtpa, providing a boost to NdPr production.

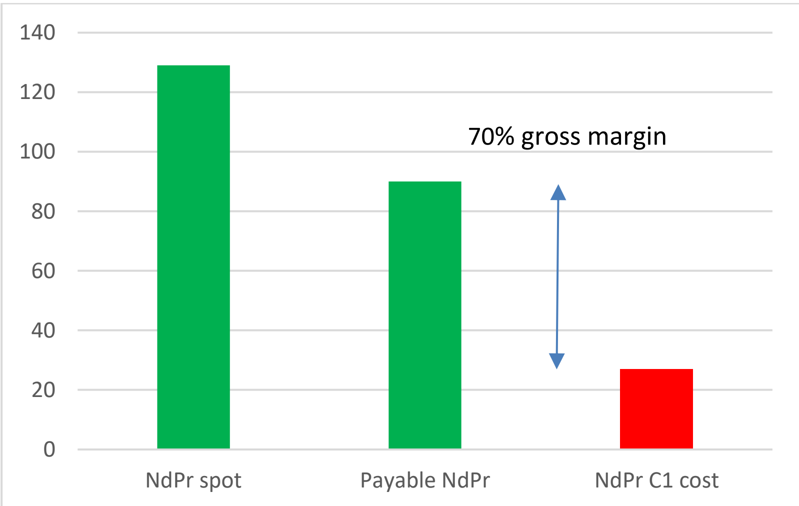
Lower head-grade reduces annual production

- Unsurprisingly, as shown in the previously reported maiden Reserves release, the TREO LOM head grade reduced -5% to 3,524ppm, contributing to lower average annual NdPr and DyTb production of 3.9ktpa and 125tpa vs the PFS's 4.3ktpa and 130tpa.
- However, despite lower average annual production, the longer LOM and increased feed capacity from year seven have increase NdPr and TREO production over LOM by 5% and 6%.

Margins still attractive despite costs rising

- Lower head grade, together with inflationary pressures, also negatively impacted unit costs vs the PFS, with AISC rising to US$16.74/kg TREO and C1 increasing to US$27/kg NdPr. Nevertheless, attractive gross margins of 70% is made at US$129/kg NdPr, or US$90/kg payable basis (Figure 2).

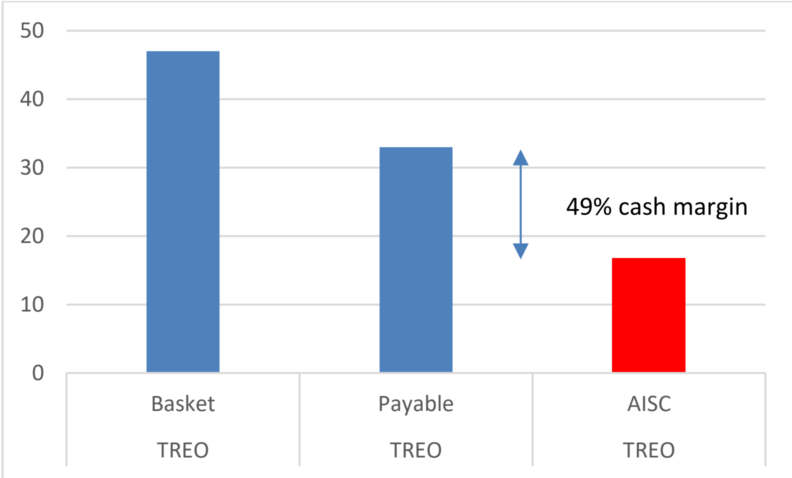
Figure 2: Caldieira - Gross margin, US$/kg NdPr



Source: Company; Foster Stockbroking estimates.

- Similarly, cash margin is high at 49% at the TREO basket price of US$47/kg, or US$33/kg payable (Figure 3).

Figure 3: Caldeira – Cash margin, TREO basket US$/kg



Source: Company; Foster Stockbroking estimates.

Capex still below US$500M

- Capex was up 12% to US$498M from US$443M due to modifications to plant to incorporate whole-of-ore processing and better process treatment. Build time is 26 months, with first production targeted beginning 2029, with an ensuing 24-month McNulty ramp-up.

Valuation essentially unchanged

- The DFS NPV_8 post-tax landed at US$847M, only a touch up on the US$835M of the PFS, with IRR of 24% and a 4.1-year payback. Higher spot price, longer mine life, and higher peak mill feed counterbalanced the effects of lower head grade and higher start up capex.

Pilot plant shows potential upside to recovery

- We believe the largest upside to DFS economics is the potential for higher recoveries, based on the performance and progress of MEI's pilot plant. 80% average MREO recovery was achieved the plant in May 2026, markedly higher than the DFS's 71%. Obviously one month is not sufficient in itself to warrant changing assumptions, but if the plant can demonstrate a consistent replication of recoveries at 80%, or at least above 71%, it does provide a fillip to economics.

NEXT STEPS

Path to FID

- The company's messaging is clear in that it wants to be the first of the handful of Brazilian development REE projects to go into production. Certainly, the DFS clearly cements Caldeira as the most advanced and closest to FID. Second, the company is intent on maintaining momentum now to reach FID, which we expect to be by end of 2026/beginning 2027.
- The Installation Licence is the next permitting milestone, and is expected as early as October and certainly by end the 2026. In the interim the company is progressing offtake and financing negotiations. The DFS, with its attractive economics, and >20 year mine life, all underpinned by Reserves, offers long-life and derisked supply that both financiers and offtakers will find attractive.

POSCO MoU a major milestone

- Additionally, MEI recently announced a non-binding off take agreement with POSCO International Corporation (POSCO). Unlike other Caldeira MoU offtakers Neo Performance Materials and Ucore RareMetals, POSCO comes with considerable balance sheet heft, and already is heavily involved in upstream sourcing and downstream processing of critical minerals such as lithium and graphite via subsidiary POSCOU Future M, and has JVs with Energy Fuels, and ReElements, both in US, for separation, purification, and oxide and metal magnet production. POSCO and has already successfully processed Caldeira MREC at both South Korean and US facilities.

Low cost provides leverage for floor pricing

- Floor pricing is in the mix among discussions with offtakers. Recent examples have landed at around U$110/kg NdPr, such as for Serra Verde, Lynas Rare Earths (LYC), and MP Materials (MP). These come at cost to profit share on upside, typically 30%, when the price is >US$110/kg in the case of MP, or >US$150/kg for LYC. However, MEI's CEO pointed out on a conference call that the company can contemplate a lower floor price in exchange for keeping more of the profit upside. Caldeira's low position on the cost curve certainly engenders this strategic approach. As a corollary, in the DFS, the company ran a downside case using NdPr price of US$68/kg, under which Calderia was still cash flow positive.

Downstream options

- While the focus is rightly to ensure FID and reaching first production of MREC, in the background the company is studying downstream rare earth oxide separation and potential rare earth metals and magnets production. We anticipate such operations likely to be located in Brazil. As a first step, MEI is examining removal of low-value La and Ce from the MREC, which would make it more valuable and reduces transport costs.

REE PRICE REVISIONS

Upgrade to NdPr long-term

- We have upgraded REE price forecasts (Figure 4), with long-term NdPr revised up 3% to US$114/kg from US$111/kg, while our biggest upgrades are to Dy and Tb in the short term. Long-term prices for these two REEs are unchanged.
- Our upgrades are based on continuing tight supply market due to China restrictions; high-growth demand across numerous sectors including EVs, robotics, wind turbines, and defence; greater bifurcation between China and western pricing, including price floors; and western governments' support for inducing own supply.

Figure 4: REE price forecasts

		2026	2027	2028	2029	LT
NdPr	**US$/kg**	**101**	**112**	**112**	**112**	**114**
prior		*98*	*106*	*106*	*108*	*111*
chng	*%*	*3%*	*6%*	*6%*	*4%*	*3%*
Dy	**US$/kg**	**723**	**1,102**	**1,084**	**936**	**710**
prior		*427*	*465*	*463*	*575*	*710*
chng	*%*	*69%*	*137%*	*134%*	*63%*	*0%*
Tb	**US$/kg**	**2,480**	**3,144**	**3,257**	**2,954**	**2,916**
prior		*1,500*	*1,400*	*1,430*	*2,050*	*2,916*
chng	*%*	*65%*	*125%*	*128%*	*44%*	*0%*
A$	**US$**	**0.70**	**0.70**	**0.70**	**0.70**	**0.70**
prior		*0.69*	*0.70*	*0.70*	*0.70*	*0.70*
chng	*%*	*1.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Source: Foster Stockbroking estimates

MEI VALUATION

Increases to $0.48 from $0.41

- Our valuation of MEI has increased to $0.48 from $0.41 (0.6x NPV_{10} nominal) based on 1) upgrade to our NdPr price forecasts; 2) derisking of Caldeira (0.8x vs 0.7x NPV previously) due to completion of the DFS, and 3) raising future equity a higher share price than previously assumed. This has more than offset higher capital and operating costs, and higher future equity raise amount. We estimate MEI will require A$800M to fund capex, working capital, exploration, corporate, and finance costs, and assume a funding mix of 60% debt: 40% equity.

Figure 5: MEI valuation

	Unrisked		Risked		
Segment NPV_{10} nominal	**A$M**	**A$/sh**	**A$M**	**A$/sh**	**x NPV**
Caldeira Reserves	2,160	$0.63	1,728	$0.36	80%
Mining of Other Resources - delta	346	$0.10	232	$0.05	67%
Expansion to 10Mtpa - delta	127	$0.04	85	$0.02	67%
Investments	3	$0.00	3	$0.00	100%
Corporate & working capital	-116	-$0.03	-116	-$0.02	100%
Net Cash	38	$0.01	38	$0.01	100%
Future equity	320	$0.09	320	$0.07	100%
Cash from options	4	$0.00	4	$0.00	100%
Total	**2,881**	**$0.84**	**2,293**	**$0.48**	**58%**
Shares on issue M	2,907		2,907		
Future shares from equity raising* M	381		1,693		
Deferred share consideration M	50		50		
Performance shares M	25		25		
Performance rights M	59		59		
Options M	12		12		
Diluted shares total M	**3,433**		**4,745**		

**Future shares assume issued at unrisked valuation for unrisked, and near current share price for risked.*
Source: Foster Stockbroking estimates.

RECOMMENDATION

Maintain Buy, PT increases to $0.48

- We maintain our Buy on MEI and lift our 12-month price target to $0.48 from $0.41, in-line with our risked valuation. Catalysts for the stock include:
  - Issue of Construction Licence for Caldeira;
  - Binding offtakes;
  - Financing of Caldeira;
  - FID; and
  - Corporate activity.

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Specific disclosures: As of close of business 10 August 2026, Foster Stockbroking, staff, and Cranport own 1.1% of MEI shares. The position may change at any time and without notice, including on the day that this report has been released. Foster Stockbroking and its employees may from time to time own shares in MEI, and trade them in ways different from those discussed in research. Foster Stockbroking may also make a market in securities of MEI, including buying and selling securities on behalf of clients.

Review disclosure: The report was authored by the analyst named on the front page of the report and was reviewed and checked by Mark Fichera, Head of Research.

Disclosure review. All the disclosures in the report have been reviewed and checked by Mark Fichera, Head of Research.