The Metals Royalty Company Inc. (NasdaqCM: TMCR)

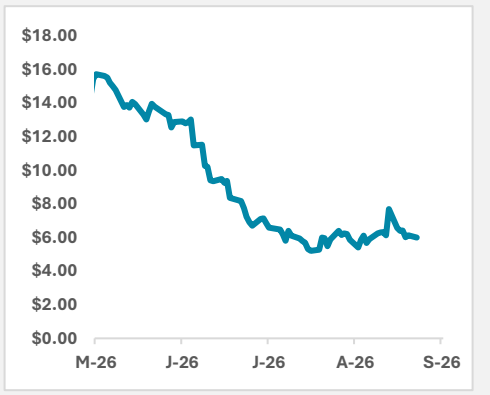
Key Statistics	
52 Week Range	$4.90 – $21.38
Avg. Volume (3 months)	80.42k
Shares Outstanding	67.41M
Market Capitalization	$382.24M
Cash Balance*	$11.79M
Analyst Coverage	2

***Cash balance as of June 2026**

Revenue (in $mm)			
Dec – FY	2025A	2026E	2027E
Q1	N/A	0.00	5.89
Q2	N/A	0.00	6.17
Q3	0.00	0.00	6.30
Q4	0.00	4.17	14.08
FY	0.00	4.17	32.44

EPS (in $)			
Dec – FY	2025A	2026E	2027E
Q1	N/A	(0.20)	(0.03)
Q2	N/A	(0.12)	(0.03)
Q3	(0.04)	(0.09)	(0.02)
Q4	(0.12)	(0.05)	0.02
FY	(0.16)	(0.46)	(0.06)

Share Price Chart (in USD)



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The Metals Royalty Company: TMCR Doubles Mesabi Royalty Exposure to 2.0% Ahead of Production, Establishing US$22–26 Million Potential Annual Revenue Stream and Expanding Financial Scale Through US$165 Million Financing

Share Price	$5.67	Valuation	$17.50

Investment Highlights

Additional Mesabi Royalty Acquisition Doubles TMCR's Interest to 2.0% and Establishes Potential US$22–26 Million Annual Royalty Stream: TMCR completed the acquisition of an additional 1.0% Index-Priced Gross Overriding Production Royalty with a Revenue Floor over the Mesabi Metallics iron ore project, doubling its total interest to 2.0%. Based on assumed production of 7.28 Mtpa over a 23-year mine life, TMCR estimates annual royalty revenue of approximately US$22 million, rising to approximately US$26 million at the contemplated 8.5 Mtpa capacity, effectively doubling the US$11–13 million potential from its original 1.0% interest. The acquisition comes immediately ahead of expected commercial production, with Mesabi approximately 99% complete and already transitioning to active mining following its first 66-hole production blast, which fractured approximately 211,000 tons of ore and enabled ore haulage. First-line commissioning is targeted for 3Q 2026 and first production for 4Q 2026, while the project is indicated to be fully financed through first production. The acquisition was funded through a US$165 million package comprising US$140 million of 8.0% convertible senior secured second-lien notes and a US$25 million first-lien senior secured term loan from Macquarie, generating approximately US$150.9 million of net proceeds after discounts, fees, and expenses. The notes carry an 8.0% coupon, structured as 6.0% cash/2.0% PIK in year one, 7.0% cash/1.0% PIK in year two, and 8.0% cash thereafter, and are convertible at US$8.6625 per share, a 37.5% premium to the US$6.30 reference price, implying approximately 16.2 million shares upon full equity conversion, although settlement may be in cash, shares, or both. The notes rank behind the Macquarie facility and are secured by second-lien claims over substantially all assets, including the Mesabi royalties. The Macquarie loan bears Term SOFR plus 4.0%, matures in 24 months with a 12-month extension option, and includes 500,000 five-year warrants exercisable at a 37.5% premium. TMCR also increased the equity consideration to Ironclad to US$27.5 million from US$7.5 million, issuing 4.37 million shares and reducing the cash component. In aggregate, vendor shares, Macquarie warrants, and potential note conversion represent approximately 21.1 million shares of current or potential equity issuance. Overall, the transaction materially expands TMCR's exposure to a near-production U.S. iron ore royalty and strengthens its dual-asset platform alongside its 2.0% NORI royalty, while increasing leverage, financing costs, refinancing requirements, and potential dilution, making Mesabi royalty generation increasingly important for debt servicing and deleveraging.

Company Description

The Metals Royalty Company Inc. is a British Columbia-based critical-minerals royalty company with a 2.0% royalty interest in each of the NORI polymetallic nodule project in the Pacific Ocean and the Mesabi Metallics iron ore project in Minnesota.

Valuation: TMCR's investment proposition has strengthened following the completion of its acquisition of an additional 1.0% royalty interest in Mesabi Metallics, doubling the company's total Mesabi royalty exposure to 2.0% and materially increasing the scale of its near-term cash-flow opportunity. The transaction strengthens TMCR's potential cash-flow profile by increasing participation in an asset that is now approaching first production, but the benefit is partly offset by the higher leverage, financing burden, and dilution associated with funding the acquisition. As a result, the incremental value created by the Mesabi royalty will depend less on simply reaching production and more on Mesabi achieving its targeted throughput, sustaining favorable DR pellet pricing, and generating sufficient after-tax cash flow to justify the acquisition cost and associated financing. NORI continues to provide longer-duration upside, although its contribution remains more dependent on permitting and commercialization milestones. Following the transaction, our valuation framework has been revised to reflect the enlarged Mesabi royalty interest, an updated capital structure, normalized corporate expenses and taxes, and revised diluted share assumptions. We continue to value TMCR using a blended approach combining the NPV of projected Mesabi and NORI-D royalty cash flows at a 7.0% discount rate with an EV/Sales-based GPCM framework. Going forward, the key valuation sensitivities will be Mesabi's production ramp, long-term DR pellet pricing, corporate cost discipline, deleveraging, and progress toward NORI commercialization. Incorporating these revised assumptions results in an illustrative equity valuation of US$17.50 per share, contingent on successful execution by the company.

First-Half 2026 Results Reflect TMCR's Transition Into a Larger Royalty Platform: TMCR's financial profile changed materially during the first half of 2026 following the Mesabi Metallics royalty acquisition. For Q2 2026, the company remained pre-revenue and reported operating expenses of approximately US$6.1 million, compared with US$0.26 million in the prior-year period, primarily reflecting US$3.48 million of share-based compensation and higher G&A expenses of US$2.62 million related to personnel, legal, and administrative costs. Including financing expenses, TMCR reported a 2Q 2026 net loss of US$6.62 million, while the six-month net loss reached US$16.83 million. However, the reported loss materially overstates underlying cash burn, as share-based compensation remains non-cash. Operating cash outflow for the first six months was US$2.31 million. The more significant cash deployment came from investing activities, with US$135.8 million used primarily for the Mesabi royalty acquisition and related deposit, funded largely through US$74.3 million from equity issuance and approximately US$42.1 million of net term-loan proceeds. Consequently, total assets expanded to US$170.3 million at June 2026 from US$32.9 million at year-end 2025, driven by US$128.5 million of royalty and streaming interests, while total long-term debt increased to roughly US$42.3 million with shareholders' equity rising to US$120.9 million. Cash remained relatively healthy at US$11.8 million, despite the substantial acquisition outlay. Overall, the first-half results reflect a structural transition from a lightly capitalized pre-revenue royalty vehicle into a diversified, leveraged royalty platform, a shift that has since been accelerated by the acquisition of the additional 1.0% Mesabi royalty and associated financing. As a result, the timing and scale of Mesabi royalty receipts have become increasingly important for recurring cash-flow generation, debt servicing, and subsequent deleveraging.

First Production Blast De-Risks Mesabi Development and Strengthens Visibility on TMCR Royalty Outlook: The Mesabi Metallics project has achieved a key development milestone with its first production blast, marking the transition from construction toward active mining and production. The 66-hole blast fractured approximately 211,000 tons of ore and opened the first ramp into the bottom of the pit, enabling 400-ton haul trucks to commence ore haulage, with weekly blasting expected to continue as the mine advances toward full-scale output. The milestone represents an on-schedule step toward first pellet production and is particularly significant for TMCR, as the extracted ore will be processed into DR-grade pellets subject to its 2.0% index-priced Gross Overriding Production Royalty with a Revenue Floor. TMCR estimates annual royalty cash-flow potential of approximately US$22 million at 7.28 Mtpa over a 23-year mine life, rising to approximately US$26 million at the contemplated 8.5 Mtpa capacity. The commencement of ore extraction and planned continuation of weekly blasting provide greater visibility into the transition toward sustained mining activity and, ultimately, TMCR's first royalty revenue, while the project's expected contribution to U.S. employment, domestic steel supply, shipbuilding, and the defense industrial base further enhances its strategic relevance. Although the blast does not yet represent pellet production or commercial royalty generation, it materially reduces development and execution risk and strengthens visibility toward 3Q 2026 commissioning, 4Q 2026 first production, and subsequent royalty cash-flow generation.

EPC Nears Completion with Mesabi Approximately 99% Complete, Fully Financed Through First Production and on Track for 3Q 2026 Commissioning: Construction progress at Mesabi Metallics continues to de-risk TMCR's 2.0% gross overriding royalty interest, with overall project completion reaching approximately 99%, while first-line commissioning is targeted for 3Q 2026 and first production for 4Q 2026. The near-completion of engineering and procurement, with all long-lead items on site and all 110 Quality Assurance Plans approved, materially limits remaining supply-chain and engineering risks, while mechanical completion across virtually all buildings, concurrent advancement of electrical and controls infrastructure, and track installation at the Wagon Loading Station indicate that the project is transitioning from construction into commissioning. Importantly, based on information provided by Mesabi Metallics, the project is fully financed through first production, while Essar Group's more than $2 billion of equity investment and 50-year track record in developing and operating large-scale industrial assets provide additional support for execution. The combination of near-complete engineering and procurement, advancing construction, and financing through first production provides increasing confidence in the Mesabi development reaching TMCR's targeted 2026 commissioning timeline.

Company Overview

The Metals Royalty Company Inc. (Nasdaq-CM: TMCR) is a critical-minerals royalty acquisition company focused on securing long-term economic exposure to strategic metals essential for electrification, energy transition, and industrial decarbonization. Rather than engaging in exploration or production, the company employs a non-operating royalty model, acquiring financial interests in mineral assets that entitle it to a share of future revenues without assuming operational responsibilities. This structure enables TMCR to participate in commodity price appreciation and production growth while avoiding the capital intensity, technical risks, and environmental liabilities associated with mine development and operation.

The Metals Royalty Company is a royalty company that acquires interests in mineral projects to gain exposure to electrification and industrial transition-driven commodity demand while avoiding the operational and capital risks of mine development

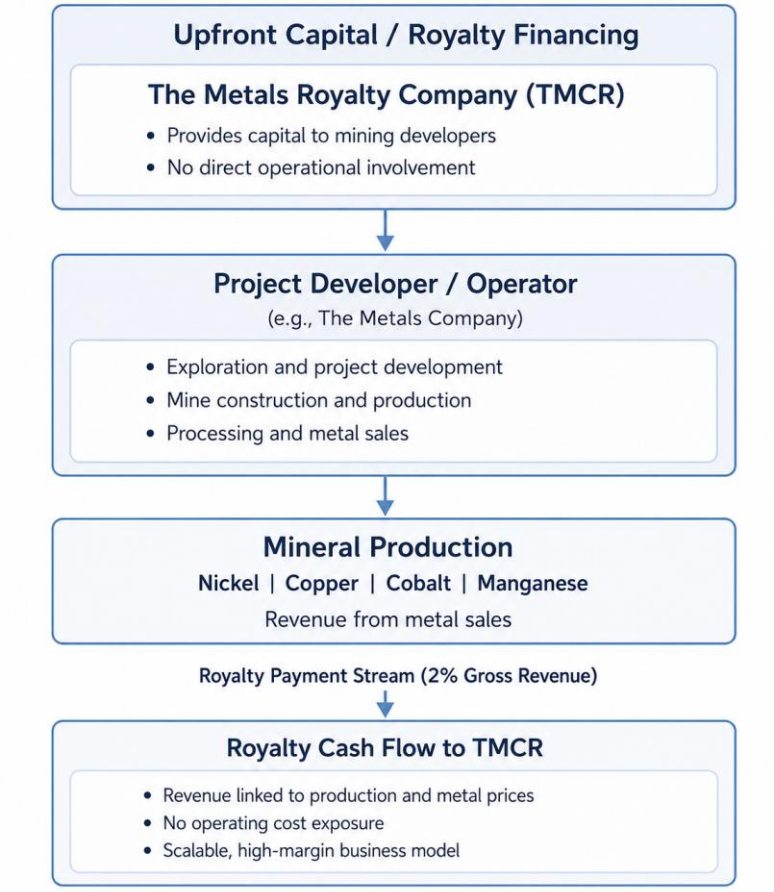

Exhibit 1: TMCR Royalty Business Model. Source: Diamond Equity Research

TMCR's investment focus is on metals critical to advanced manufacturing, grid infrastructure, defense systems, and electric mobility, including nickel, copper, cobalt, manganese, and iron, shaped by expectations of sustained structural demand driven by electrification and North American supply-chain security priorities. As a royalty company, TMCR provides upfront capital to resource developers in exchange for royalties, streams, or similar interests, seeking direct economic exposure to large-scale mineral projects without direct operational involvement. This asset-light structure supports a lean cost base while transferring

operational, technical, and capital risks to project operators. Accordingly, future revenues, once underlying assets reach commercial production, will depend primarily on operator performance, production volumes, and prevailing commodity prices. At the time of its public-market entry, TMCR's portfolio was highly concentrated, consisting primarily of a single cornerstone asset: a gross overriding royalty on the NORI deep-sea polymetallic nodule project. While this concentration offers significant upside contingent on successful project development, it also exposes the company to execution, regulatory, and timing risks typical of early-stage resource assets. The company has since materially diversified its portfolio through the completed acquisition of a 2.0% royalty interest in the Mesabi Metallics iron ore project in Minnesota, providing near-term exposure to long-life cash flows linked to premium DR-grade iron ore pellet production. The transaction broadens TMCR's commodity exposure beyond battery metals while increasing leverage to the growing Direct Reduced Iron (DRI) and Electric Arc Furnace (EAF) steelmaking markets, supported by structural demand growth for higher-grade iron ore feedstock amid global steel decarbonization trends.

Corporate Structure and History

TMCR was incorporated on October 27, 2022, under the Business Corporations Act (British Columbia) (BCBCA) as Low Carbon Royalties Inc., commencing operations as a specialized royalty investment platform targeting critical minerals required for clean energy systems and advanced industrial supply chains. In September 2025, the company changed its name to The Metals Royalty Company Inc. Headquartered in Calgary, Canada, with an additional corporate presence in Vancouver, TMCR operates as a non-operating holding entity that acquires and manages royalty and streaming interests (rather than conducting exploration, development, or production activities).

TMCR's portfolio is anchored by a 2.0% royalty on the NORI polymetallic nodule project, providing long-term exposure to nickel, copper, cobalt, and manganese, and a 2.0% royalty on the near-production Mesabi Metallics iron ore project in Minnesota, which offers near-term royalty cash-flow potential from DR-grade pellet production

The company's formation coincided with growing geopolitical emphasis on securing reliable supplies of battery and infrastructure metals. Amid these developments, TMCR has prioritized the acquisition of royalty interests in large-scale, long-life projects capable of generating durable cash flows over extended mine lives. We note that although this strategy results in higher asset concentration relative to diversified royalty peers, it reflects an early-stage approach focused on establishing high-quality cornerstone assets before pursuing broader portfolio expansion.

On February 21, 2023, TMCR acquired one of its principal assets, a 2.0% gross overriding royalty (GORR) on the NORI polymetallic nodule property, from Nauru Ocean Resources Inc. (NORI) and The Metals Company (TMC) Inc. for total consideration of approximately $14.1 million. The project is located in the Clarion-Clipperton Zone (CCZ) of the Pacific Ocean and represents one of the world's largest undeveloped sources of battery metals contained in seabed nodules. Commercial production from the NORI asset is currently targeted for Q4 2027, subject to regulatory approvals, environmental permitting, and technical development milestones. The royalty agreement also includes structured repurchase provisions, under which NORI has the right to reduce the royalty in two stages. NORI may repurchase 50% of the royalty until February 21, 2030, and an additional 25% of the original royalty on or after February 21, 2028, provided the first repurchase right has been exercised and NORI remains in compliance with its payment obligations. Importantly, upon exercise of

these repurchase options, TMCR would receive cash payments based on pre-agreed return thresholds. If both options are exercised, the royalty would decline from 2.0% to 0.5%, offset by the upfront cash consideration received at the time of buyback.

In May 2026, TMCR announced a definitive agreement to acquire a 1.0% index-priced gross overriding royalty with an embedded revenue floor on the Mesabi Metallics iron ore project in Minnesota, United States, for total consideration of approximately US$132.5 million. TMCR subsequently completed the acquisition of an additional 1.0% royalty interest, doubling its aggregate Mesabi exposure to 2.0%. The royalty applies to production from the Mesabi Metallics project, a large-scale integrated mining and pelletization operation focused on producing premium Direct Reduction (DR)-grade iron ore pellets for Direct Reduced Iron (DRI) and Electric Arc Furnace (EAF) steelmaking applications. The project is expected to become one of the few large-scale merchant suppliers of DR-grade pellets in the United States and is supported by an estimated mineral resource base of approximately 1.3Bt, implying a mine life exceeding two decades. The royalty structure is indexed to the Platts Direct Reduction Pellet 67.5% Fe FOB Brazil benchmark price and incorporates an embedded revenue floor of US$150/t, providing downside protection while preserving exposure to higher iron ore prices. At the 2.0% aggregate royalty level, TMCR estimates annual royalty revenue of approximately US$22 million at 7.28 Mtpa, rising to approximately US$26 million at the contemplated 8.5 Mtpa capacity. Mesabi Metallics is targeting first-line commissioning in 3Q 2026 and first production in 4Q 2026, with ramp-up toward full production expected during 2027, implying the potential for near-term royalty cash flow generation relative to the company's existing development-stage royalty portfolio. The transaction also broadens TMCR's commodity exposure beyond battery metals and deep-sea mining while increasing leverage to structural growth in DR-grade pellet demand linked to steel decarbonization and expanding EAF-based steelmaking capacity globally.

Prior to late 2025, the company's portfolio included both metals and minerals as well as oil and gas royalty and streaming assets. In connection with a corporate restructuring, TMCR entered into a contribution agreement in August 2025 (subsequently amended in December 2025) to transfer its oil and gas royalty business, comprising interests in NG Energy International Corp.'s Maria Conchita and Sinu-9 natural gas blocks in Colombia, to 1554997 B.C. Ltd., the company's wholly owned subsidiary. The shares of this subsidiary were subsequently distributed to shareholders as a return of capital, completing a spin-out transaction on December 18, 2025. Following this transaction, TMCR no longer retains any interest in the oil and gas assets, which were classified as discontinued operations. As a result of the spin-out and the subsequent Mesabi Metallics royalty acquisitions, the company's portfolio is now focused exclusively on metals and minerals royalty interests, anchored by the NORI royalty and supplemented by the addition of a long-life iron ore royalty asset with anticipated near-term production exposure. TMCR intends to continue expanding this portfolio over time through the acquisition of additional royalties, streams, and similar interests across critical minerals and strategic industrial commodity projects.

The NORI Polymetallic Nodule Project

The NORI Property comprises a large-scale polymetallic nodule resource located on the abyssal seafloor of the Clarion-Clipperton Zone (CCZ) in the north-east Pacific Ocean, widely regarded as one of the world's most prospective regions for deep-sea battery metals. Situated between Hawaii and Mexico in international waters beyond national jurisdictions, the western end of the CCZ extends approximately 1,000 kilometers south of the Hawaiian island chain. The property consists of four exploration contract areas, NORI A, B, C, and D, with a combined footprint of about 74,830 km^2, of which NORI Area D (approximately 25,160 km^2) is the easternmost block and the initial development focus, centered near 10°29' N latitude and 116°57' W longitude, approximately 850 km west of Clipperton Island, the nearest landmass. Water depths across the property typically range from 4,000 to 6,000 meters, placing the deposit within stable abyssal plain environments conducive to nodule formation. The resource comprises polymetallic nodules (potato-sized concretions occurring unattached on the seafloor surface) formed over millions of years through the slow precipitation of dissolved metals from seawater and sediment pore fluids. The NORI contract area hosts an estimated resource package of approximately 866 million tonnes (wet) of nodules characterized by a high manganese content of about 29.5% along with economically meaningful concentrations of nickel (1.3%), copper (1.1%), and cobalt (0.2%), metals that are critical inputs for lithium-ion batteries, electrical infrastructure, and advanced manufacturing; their relatively uniform distribution across extensive seabed areas supports the potential for large-scale extraction.[1] The resource base has an average grade of about 3.0–3.4% NiEq (combined contribution of nickel, copper, and cobalt contained within the nodules), compared with an industry average grade of approximately 1.15% NiEq for terrestrial nickel deposits. This indicates that each tonne of material contains roughly 2.5–3x higher metal concentration than typical peer deposits. While some terrestrial projects exceed 2,000–3,000 Mt in size, these generally exhibit substantially lower grades (often below 1% NiEq), whereas higher-grade deposits tend to be much smaller. NORI therefore occupies a relatively rare position as a "tier-one" style asset in terms of geological endowment, combining both large tonnage and high grade, resulting in one of the largest undeveloped nickel-equivalent metal inventories globally and suggesting significant long-term supply potential, subject to successful project development.

The NORI Property is a large-scale polymetallic nodule deposit in the Clarion-Clipperton Zone of the Pacific Ocean, hosting approximately 866 Mt of nodules rich in nickel, copper, cobalt, and manganese, representing one of the largest and higher-grade undeveloped battery-metal resources globally

At full scale, a polymetallic nodule resource of approximately one billion tonnes has been estimated to contain sufficient metal to supply current U.S. consumption for roughly 330 years of manganese, 210 years of cobalt, 95 years of nickel, and 5 years of copper, highlighting the potential strategic significance of CCZ deposits for long-term critical mineral supply security.[2]

Unlike conventional terrestrial ore bodies, polymetallic nodules lie exposed on the seabed and do not require drilling, blasting, or overburden removal, allowing for potential collection using specialized seabed harvesting systems. The CCZ's nodules are considered particularly attractive due to their multi-metal composition, large resource scale, and comparatively low levels of deleterious elements, positioning the region as a potential future non-terrestrial source of supply for electric vehicle batteries, renewable energy systems, and industrial

[1] Metals.co
[2] TMC Investor Presentation, February 2026

decarbonization technologies. The technical feasibility of collecting, lifting, and processing nodules into refined metals was demonstrated as early as the 1970s by several international consortia; however, commercial development was delayed for decades due to the absence of a comprehensive regulatory regime governing mineral extraction in international waters.

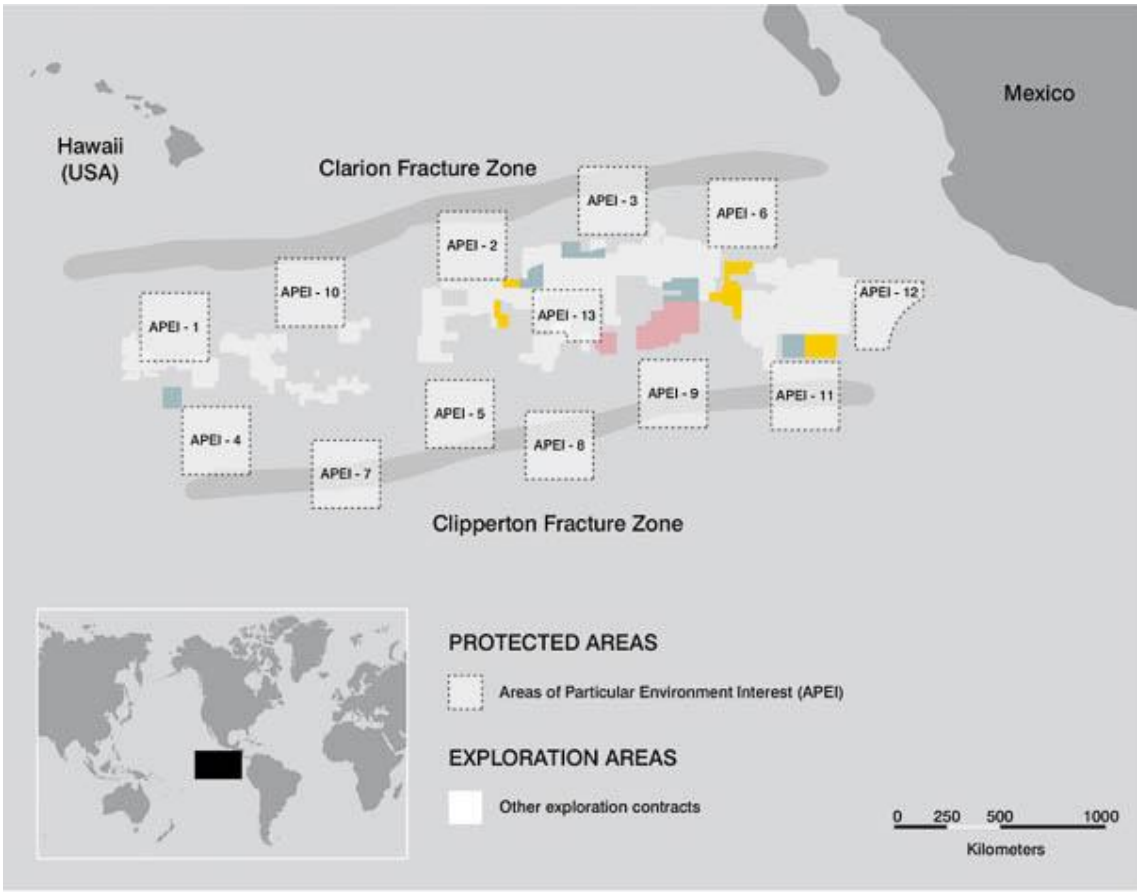

Exhibit 2: NORI Property Footprint within ISA-Designated Exploration and Protection Areas. Source: The Metals Company

Development of the NORI Property is being led by The Metals Company (TMC) through its subsidiary Nauru Ocean Resources Inc. (NORI), under the sponsorship of the Republic of Nauru, which holds exploration rights granted by the International Seabed Authority (ISA) in 2011 under the United Nations Convention on the Law of the Sea (UNCLOS). Under ISA regulations, exploration contracts may be extended in successive five-year increments beyond the initial 15-year term, provided the contractor demonstrates good-faith compliance with the approved exploration work program. The NORI sponsorship agreement is aligned with the 15-year ISA exploration contract and provides for an automatic extension of approximately 20 years upon commencement of commercial production under an ISA exploitation contract, subject to achieving a defined minimum recovery level.

The ISA regulates mineral activities in "the Area," defined as the seabed and ocean floor beyond national exclusive economic zones. While the authority adopted regulations governing prospecting and exploration for polymetallic nodules in 2010, a comprehensive exploitation code, required before commercial mining contracts can be issued, has not yet been finalized, creating regulatory uncertainty regarding project timelines. In parallel, because the United States is not a party to UNCLOS, TMC's U.S. subsidiary has pursued permits under the Deep Seabed Hard Mineral Resources Act (DSHMRA), administered by the National Oceanic and Atmospheric Administration (NOAA). This framework allows U.S. entities to obtain exploration licenses, typically issued for ten-year terms, as well as commercial recovery permits with terms of up to twenty years in international waters, subject to environmental, safety, and foreign policy review.

In January 2026, TMC USA submitted a consolidated application for exploration and commercial recovery permits covering NORI Area D, which remains under regulatory review, with approval outcomes representing a key determinant of the project's development timeline

In April 2025, TMC USA submitted applications for exploration licenses and commercial recovery permits covering portions of the CCZ (USA-A and USA-B areas) as well as a commercial recovery permit for USA-A, which includes NORI Area D. Subsequent regulatory developments, including executive actions aimed at accelerating offshore critical mineral development and amendments to NOAA's permitting rules, introduced a consolidated application process allowing simultaneous submission for exploration and recovery rights. TMC USA submitted such a consolidated application in January 2026, incorporating environmental, geological, and engineering data collected during exploration activities. These applications remain under review, and no commercial recovery permits for the NORI Property have yet been granted under either the ISA or U.S. regulatory regimes. Approval outcomes, environmental assessments, and geopolitical considerations, therefore, represent key determinants of project viability and timing.

Operationally, the development plan for the NORI Areas envisions offshore collection of nodules using specialized seabed vehicles, vertical transport to a surface production vessel, and subsequent processing into intermediate or refined products through onshore facilities. Initial development is concentrated on NORI Area D, reflecting its resource characteristics and permitting strategy. TMC has indicated a targeted production start in Q4 2027, subject to regulatory approvals and technical readiness. The project has also reported milestones, including commercial-scale processing tests of nodules into calcine and the declaration of substantial probable mineral reserves, highlighting the potential scale of the resource base.

The Clarion–Clipperton Zone: The World's Largest Polymetallic Nodule Province

The Clarion–Clipperton Zone (CCZ) is a vast deep-ocean region in the eastern and central equatorial Pacific Ocean, situated between Hawaii and the western coast of Mexico. Extending approximately 7,200 km east–west and spanning approximately 4.5 million km^2, it represents the largest known province of polymetallic nodules globally and the principal focus of contemporary deep-sea mineral exploration. The region lies at abyssal depths generally ranging from 4,000 to 6,000 meters, with some areas extending deeper, and is characterized by broad, sediment-covered plains punctuated by fracture-zone topography. Its geological framework is defined by two major submarine lineations, the Clarion Fracture Zone to the north and the Clipperton Fracture Zone to the south, which are large transform-related tectonic features formed by past plate movements during seafloor spreading. These features subdivide the ocean floor into distinct structural

blocks and influence regional bathymetry, seafloor morphology, sediment distribution, and nodule accumulation patterns.

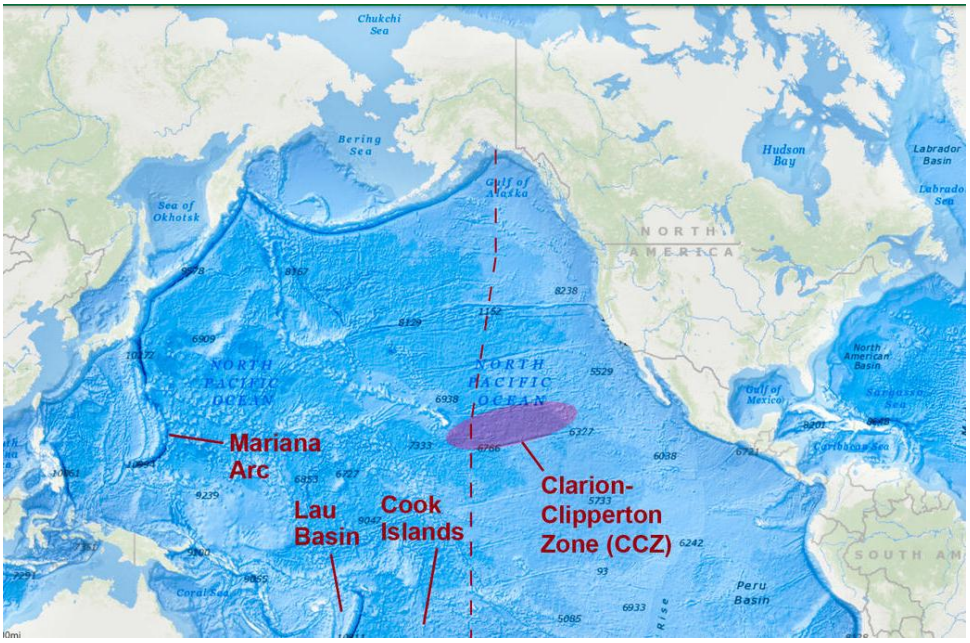

Exhibit 3: Geographic Location of the Clarion–Clipperton Zone (CCZ) in the Central Pacific Ocean. Source: USGS

The underlying crust in the CCZ consists predominantly of Mid-Eocene to Early Miocene basaltic oceanic crust, overlain by thick sequences of pelagic sediments, including calcareous chalks and siliceous clay–ooze deposits that may reach 20–30 meters in thickness. Low sedimentation rates, weak bottom currents, and stable geochemical conditions at the sediment–water interface have enabled polymetallic nodules to accumulate over tens of millions of years without burial. Acoustic surveys frequently detect elevated seabed backscatter in areas where nodules are abundant, reflecting their high density and metal content. Resource estimates for the CCZ are unparalleled. The International Seabed Authority (ISA) estimates that the region contains more than 21 billion tonnes of polymetallic nodules, including approximately 5.95 billion tonnes of manganese, 0.27 billion tonnes of nickel, 0.23 billion tonnes of copper, and 0.05 billion tonnes of cobalt.[3] Metal composition varies across the basin, influenced by differences in sedimentation rates, bottom-water oxygenation, and the relative contributions of hydrogenetic versus diagenetic formation processes.

Legally, the CCZ lies largely in areas beyond national jurisdiction and is administered by the International Seabed Authority (ISA), which regulates exploration and potential exploitation activities and issues contracts to state-sponsored entities and commercial operators. Exploration blocks typically cover tens of thousands of square kilometers, and 18 licensed contractors currently hold exploration licenses across the region.

NORI-D Represents the Initial Development Area Within the Broader Clarion-Clipperton Zone

NORI-D is a large-scale deep-sea polymetallic nodule deposit located within the Clarion-Clipperton Zone (CCZ) of the Pacific Ocean, approximately 1,500 miles south-west of San Diego, California, an area widely regarded as the world's most prospective province for seabed battery metals. The project is held through

[3] International Seabed Authority

Nauru Ocean Resources Inc. (NORI), under sponsorship by the Republic of Nauru. The NORI-D contract area covers approximately 25,160 km^2 and is the easternmost of the four NORI exploration areas (NORI-A, B, C, and D), making it one of the most extensively delineated seabed mineral blocks globally. Resource delineation indicates a substantial polymetallic inventory across measured, indicated, and inferred categories. Nodule abundance across the resource averages approximately 17.4 wet kg/m^2, reflecting the mass of nodules present on the seafloor per square meter and supporting the potential for large-scale mechanical collection. A probable reserve of approximately 51 million wet metric tonnes (Mwmt) forms the basis of the initial mine plan. Average grades within the reserve are about 1.40% nickel, 1.10% copper, 0.13% cobalt, and approximately 31% manganese, translating into contained metals of roughly 0.7 Mt nickel, 0.6 Mt copper, 0.1 Mt cobalt, and 15.8 Mt manganese. In addition to the 51 Mwmt probable reserve, NORI-D contains 347 Mwmt of indicated resources and 5 Mwmt of measured resources, with a further 11 Mwmt classified as inferred, providing a foundation for potential long-term expansion.

Category	Nodules Mt (Wet)	Nickel (%)	Contained Nickel (Mt)	Copper (%)	Contained Copper (Mt)	Cobalt (%)	Contained Cobalt (Mt)	Manganese (%)	Contained Manganese (mt)
Measured Resource	5	1.41	0.10	1.15	0.10	0.13	0.01	31.91	1.60
Indicated Resource	347	1.40	4.90	1.14	4.0	0.14	0.50	31.15	108.10
Inferred Resource	11	1.38	0.15	1.14	0.10	0.12	0.01	30.96	3.40
Total Resource	**363**		**5.20**		**4.20**		**0.52**		**113.10**
Probable Reserve	51	1.40	0.70	1.10	0.60	0.13	0.10	31.0	15.80

Exhibit 4: NORI-D Resource Estimates (Inclusive of Probable Reserves) at 4 wet kg/m2 abundance cut-off. Source: Company Filings

Resource tonnage and abundance estimates are reported on a wet basis, reflecting the natural moisture contained within the polymetallic nodules. Based on sampling data from Campaigns 6, 7, and 8 box cores and approximately 3,000 tonnes of nodules recovered during the 2022 collector system test, the in situ moisture content of nodules in NORI Area D is estimated at approximately 28%. NORI-D exhibits an unusually favorable combination of scale and metal richness relative to many major global nickel projects. The initial development of NORI-D is supported by a Pre-Feasibility Study (PFS) prepared in accordance with SEC Regulation S-K Subpart 1300, representing the first reserve declaration for a polymetallic nodule project.[4] The PFS outlines a phased development plan for offshore collection and onshore processing of polymetallic nodules, targeting production ramp-up to approximately 12 million tonnes per annum (Mtpa) of wet nodules within the first five years. Over the life of the project, steady-state output is expected to average approximately 10.8 Mtpa, supporting a projected 19-year mine life for the NORI-D project. The mine plan is based on approximately 51 Mwmt of probable reserves and anticipates life-of-mine nodule production of approximately 164 Mwmt. At

[4] Pre-Feasibility Study (PFS) of NORI Area D

steady-state operations, the project is expected to produce approximately 97 kt of nickel, 70 kt of copper, 7.4 kt of cobalt, and approximately 2.4 Mt of manganese annually. The PFS indicates an after-tax NPV of approximately $5.5 billion and an IRR of around 27% at an 8% discount rate, based on estimated initial capital expenditures of roughly $4.9 billion.

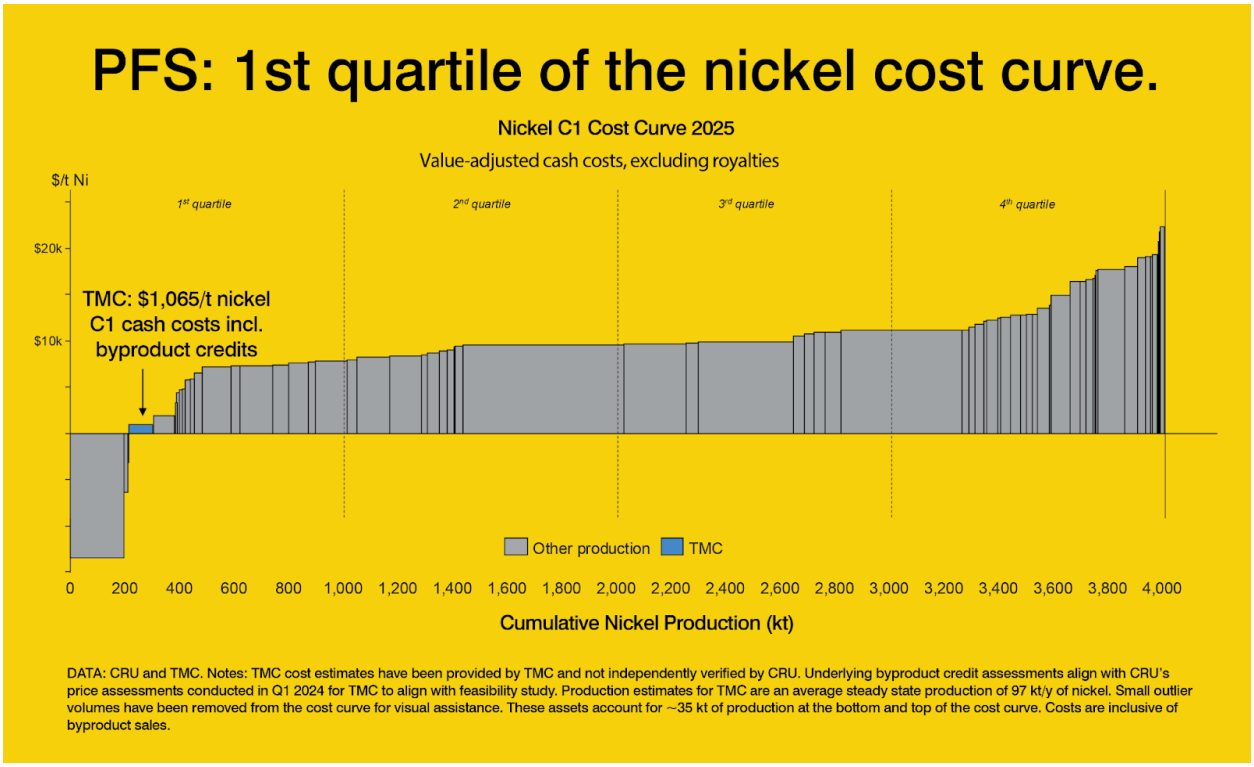

Exhibit 5: TMC Positioned in the First Quartile of the Global Nickel Cost Curve (2025). Source: The Metals Company PFS

The project is supported by strong by-product credits and a projected first-quartile position on the global nickel cost curve. The study also estimates C1 nickel cash costs of approximately $1,065/t Ni and all-in sustaining costs (AISC) of approximately $2,569/t Ni after by-product credits, with capital payback expected in approximately seven years under base-case assumptions. The development strategy emphasizes capital efficiency by leveraging existing offshore vessels and third-party processing infrastructure, including tolling arrangements with established rotary kiln electric furnace (RKEF) facilities, before transitioning to dedicated refining capacity in the United States.

The metals contained in polymetallic nodules: nickel, copper, cobalt, and manganese, are classified as critical minerals essential for electric vehicles (EVs), battery chemistries, renewable energy infrastructure, and broader industrial decarbonization. Current global supply chains for several of these metals remain geographically concentrated and subject to geopolitical risk, increasing interest in alternative sources such as seabed deposits. If developed at commercial scale, the NORI-D project could represent one of the largest new primary sources of battery metals globally, contributing to supply diversification at a time of structurally rising demand. For The Metals Royalty Company (TMCR), which holds a gross overriding royalty on the project, this potential production scale is particularly significant, as it provides direct economic exposure to future metal output without direct involvement in mine development or operations.

NORI-A, B, C Presents an Additional Long-term Revenue Optionality

In addition to the initial development focus on NORI-D, the broader NORI contract area includes NORI-A, NORI-B, and NORI-C, which represent substantial exploration-stage polymetallic nodule resources within the CCZ. The three areas differ in scale, with NORI-A covering approximately 8,924 km^2, NORI-B covering approximately 3,519 km^2, and NORI-C covering approximately 37,227 km^2, making NORI-C the largest exploration block within the NORI system outside the current development area.

Area	Classification	Tonne (Mwmt)	Nickel (%)	Copper (%)	Cobalt (%)	Manganese (%)
NORI-A	Inferred	72	1.35	1.06	0.22	28.00
NORI-B	Inferred	36	1.43	1.13	0.25	28.90
NORI-C	Inferred	402	1.26	1.03	0.21	28.30

Exhibit 6: NORI - A, B, C Resource Estimates at 4 kg/m2 Abundance Cut-off. Source: TMC Initial Assessment (IA) Report

According to the Initial Assessment (IA) technical report, these areas host inferred polymetallic nodule resources totaling approximately 510 Mwmt. NORI-A contains 72 Mwmt of nodules with an average abundance of 9.3 wet kg/m^2 and grades of 1.35% Ni, 1.06% Cu, 0.22% Co, and 28.0% Mn. NORI-B hosts 36 Mwmt with an abundance of 11.0 wet kg/m^2 and grades of 1.43% Ni, 1.13% Cu, 0.25% Co, and 28.9% Mn, representing the highest metal grades among the three areas. NORI-C contains approximately 402 Mwmt of nodules with an abundance of 11.0 wet kg/m^2 and grades of 1.26% Ni, 1.03% Cu, 0.21% Co, and 28.3% Mn.

Nodule abundance estimates are reported on a wet basis using an assumed moisture content of 24% for the NORI-A, B, and C areas. Analysis of exploration data indicates no significant correlations between moisture content and nodule size, grade, or geological domain. Abundance estimates were derived from seabed photographic surveys using nodule size measurements and long-axis estimation methods to improve the accuracy of photographic abundance calculations. Although these areas are not included in the initial NORI-D mine plan, they represent significant long-term expansion potential, with the possibility of sequential development in future project phases following successful commercialization of the initial operation.

U.S. Critical Minerals Policy and Strategic Supply Security

The growing strategic importance of critical minerals has become a central focus of U.S. industrial and energy policy as the country seeks to reduce dependence on foreign supply chains and support the expansion of domestic manufacturing linked to electrification and advanced technologies. Critical minerals such as nickel, cobalt, copper, and manganese are essential inputs for EVs, battery storage systems, power transmission infrastructure, defense technologies, and advanced manufacturing. However, the United States remains heavily reliant on imports for many of these materials. According to the U.S. Geological Survey (USGS), net import reliance in 2024 was estimated at approximately 48% for nickel (rising to nearly 100% when alloy scrap is excluded), 76% for cobalt, 45% for copper, and 100% for manganese, while rare earth elements remain approximately 80% import dependent.[5] This high level of reliance reflects the limited number of domestic mines and refining facilities capable of producing battery-grade materials, as well as the geographic concentration of global mining and processing capacity in a small number of countries.

The United States has introduced several policy initiatives, including the Inflation Reduction Act, the Bipartisan Infrastructure Law, and recent executive actions, to strengthen domestic and allied critical mineral supply chains, encourage investment in mining and processing capacity, and reduce reliance on geopolitically concentrated sources

Supply concentration further amplifies these vulnerabilities across several critical minerals. Global cobalt production is heavily dominated by the DRC, which accounts for more than 60% of global mine supply, while China controls approximately three-quarters of global cobalt refining capacity. Nickel supply has increasingly shifted toward Indonesia, which is projected to account for more than two-thirds of the global mined nickel supply by 2030, alongside significant refining capacity expansion in both Indonesia and China. Copper supply is also geographically concentrated, with Chile, Peru, and the DRC collectively accounting for a substantial share of global mine output, while China controls roughly 45–50% of global copper smelting and refining capacity. Similar concentration exists in manganese processing, where approximately 95% of global high-purity manganese sulphate production is located in China, despite more geographically diversified mining. These structural dependencies have heightened concerns in Washington regarding supply-chain resilience, particularly as demand for battery metals is expected to accelerate with the growth of EVs, renewable energy systems, and grid infrastructure. A significant portion of these concerns relates to China's dominant position in global mineral processing and refining, which provides it with substantial influence over the availability and pricing of critical battery materials across international markets.

In response, the United States has introduced a series of policy measures aimed at reshoring critical mineral supply chains and accelerating domestic industrial capacity. Legislation such as the Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law provides financial and regulatory incentives for new mining, processing, and battery manufacturing projects. For example, EV tax credits of up to $7,500 under the IRA are contingent on increasing shares of battery critical minerals being extracted or processed in the United States or in free-trade-agreement partner countries, with the required threshold rising to 80% by 2027, while materials sourced from designated "foreign entities of concern" become ineligible over time.[6] [7] Additional

[5] USGS.gov
[6] McKinsey
[7] Nature.com

incentives include production tax credits for domestic battery and component manufacturing, federal financing through the U.S. Department of Energy Loan Programs Office, and targeted support for critical minerals under the Defense Production Act, aimed at reducing financing costs and accelerating project development across the mining and refining value chain. Complementing these legislative measures, recent policy initiatives such as the March 2025 "Immediate Measures to Increase American Mineral Production" directive seek to expedite permitting, prioritize federal lands for mining, and mobilize financing for mineral projects, while the April 2025 "Unleashing America's Offshore Critical Minerals and Resources" initiative focuses on securing minerals including nickel, copper, cobalt, manganese, and rare earth elements through offshore resource development, strategic stockpiling, and coordination with allied partners.[8] [9] Together, these measures aim to stimulate investment in U.S. and allied critical mineral supply chains while reducing reliance on geopolitically concentrated producers and strengthening domestic industrial resilience.

This policy environment has direct implications for TMCR. The company's royalty exposure to the NORI polymetallic nodule project in the CCZ and the Mesabi Metallic iron ore project in Minnesota provides economic exposure to several metals identified as critical to U.S. supply security, including nickel, cobalt, copper, and manganese. Should commercial development of seabed resources proceed, polymetallic nodules could represent a new supply source capable of contributing to diversified global production of battery metals. For TMCR, whose business model focuses on acquiring royalties and similar interests in critical mineral assets (rather than operating mines directly), the ongoing push toward supply-chain diversification and re-industrialization may expand the universe of potential investment opportunities. As governments increasingly prioritize domestic and allied production of critical minerals, new projects are likely to emerge across both terrestrial and offshore jurisdictions, potentially creating additional opportunities for royalty financing while strengthening the strategic relevance of TMCR's existing exposure to the NORI project.

Understanding the Terms of the NORI Royalty Agreement

One of The Metals Royalty Company's two principal royalty assets is its 2.0% gross overriding royalty (GORR) on the NORI polymetallic nodule project located in the Clarion-Clipperton Zone (CCZ) of the Pacific Ocean. The royalty was granted by Nauru Ocean Resources, Inc. (NORI), a subsidiary of The Metals Company, and represents the company's economic interest in the project following the royalty spin-out. The NORI property encompasses exploration areas A, B, C, and D, covering approximately 74,830 km^2 of seabed under an exploration contract issued by the International Seabed Authority (ISA). While the royalty technically applies across all NORI areas, current development efforts are primarily focused on Area D, which management expects to serve as the initial commercial production zone.

The Metals Royalty Company holds a 2.0% gross overriding royalty on the NORI polymetallic nodule project, with repurchase rights that could potentially reduce the royalty to 0.5% over time

The royalty was acquired on February 21, 2023, as part of a royalty spin-out transaction between the Metals Company and The Metals Royalty Company. In consideration for granting the 2.0% royalty on the NORI project, the royalty company issued approximately $9.0 million in equity (13,846,154 common shares priced at $0.65 per share) to The Metals Company and paid $5.0 million in cash, representing a total transaction value of approximately

[8] Whitehouse.gov
[9] Whitehouse.gov

$14 million, along with contingent value rights (CVRs) tied to future outcomes. As part of the transaction, The Metals Company also became a significant shareholder in the royalty company, aligning the interests of the operator and the royalty holder. This structure enabled TMC to partially monetize a future revenue stream from the NORI project while retaining operational control of the asset, providing non-dilutive capital, and creating a separate vehicle through which investors can gain exposure to the project's long-term production economics.

Repurchase Rights

The agreement includes royalty repurchase provisions that allow NORI to reduce the royalty in two stages. NORI may repurchase 50% of the royalty until February 21, 2030, and an additional 25% of the original royalty on or after February 21, 2028, provided that the First Repurchase Right has been exercised and NORI is not in default of its payment obligations under the NORI Royalty. If both options are exercised, the royalty would decline from 2.0% to 0.5%, reducing the royalty company's entitlement to future revenues by 75%.

Mesabi Royalty Adds Near-Term Cash Flow Visibility and Strategic Exposure to U.S. DR-Grade Iron Ore

In May 2026, The Metals Royalty Company (TMCR) entered into a definitive agreement to acquire a 1.00% index-priced gross overriding production royalty with an embedded revenue floor on the Mesabi Metallics iron ore project in Minnesota, United States, for total consideration of US$132.5 million, comprising US$125 million in cash and US$7.5 million in TMCR equity. The transaction involves the acquisition of a 25% interest in an existing 4.0% royalty held by Ironclad Royalties LLC and Mesabi Investments (USA) LLC. Under the terms of the agreement, the royalty applies to all production up to 8.5 Mtpa, with an additional 0.25% royalty applicable to production above this threshold. The royalty is indexed to the Platts Direct Reduction Pellet 67.5% Fe FOB Brazil price and incorporates an embedded revenue floor of US$150/t, providing structural downside protection while preserving exposure to higher iron ore prices. Subsequent to the initial agreement, TMCR exercised and completed its option to acquire an additional 1.0% royalty interest, doubling its aggregate Mesabi royalty exposure to 2.0%. In addition, following cumulative production of 170Mt, estimated around 2047, the royalty is scheduled to step down to 0.50% on production up to 8.5Mtpa and 0.125% on production above 8.5Mtpa.

The additional royalty acquisition was funded through a US$165 million financing package comprising US$140 million of 8.0% convertible senior secured second-lien notes and a US$25 million first-lien senior secured term loan from Macquarie. The financing generated approximately US$150.9 million of net proceeds after discounts, fees, and expenses, with proceeds also used to repay TMCR's existing senior term loan in full and for general corporate purposes. The convertible notes carry an 8.0% coupon, structured as 6.0% cash/2.0% PIK in year one, 7.0% cash/1.0% PIK in year two, and 8.0% cash thereafter, while the Macquarie facility bears Term SOFR plus 4.0% and matures in 24 months with a 12-month extension option.

The expanded Mesabi royalty position is expected to provide TMCR with a near-term, long-duration royalty cash-flow stream tied to one of the few large-scale merchant DR-grade iron ore projects under development in the United States. With Mesabi approximately 99% complete, first-line commissioning targeted for 3Q 2026, and first production expected in 4Q 2026, TMCR estimates annual royalty revenue of approximately US$22 million at 7.28 Mtpa, rising to approximately US$26 million at the contemplated 8.5 Mtpa capacity. The

transaction also broadens TMCR's commodity exposure beyond battery metals while increasing leverage to the growing DR-grade pellet market, which is expected to benefit from the ongoing transition toward lower-emission electric arc furnace steelmaking.

Mesabi Project and Surrounding Area Map (approx. 8 x 10 miles)

- Royalty AOI includes all mineral tracts and leases owned by Mesabi
- Royalty holder granted the option to extend the AOI to any new properties/leases acquired by Mesabi within five miles of the Project
- Option covers all known extensions of mineralization and virtually the entire area depicted on the map to the right

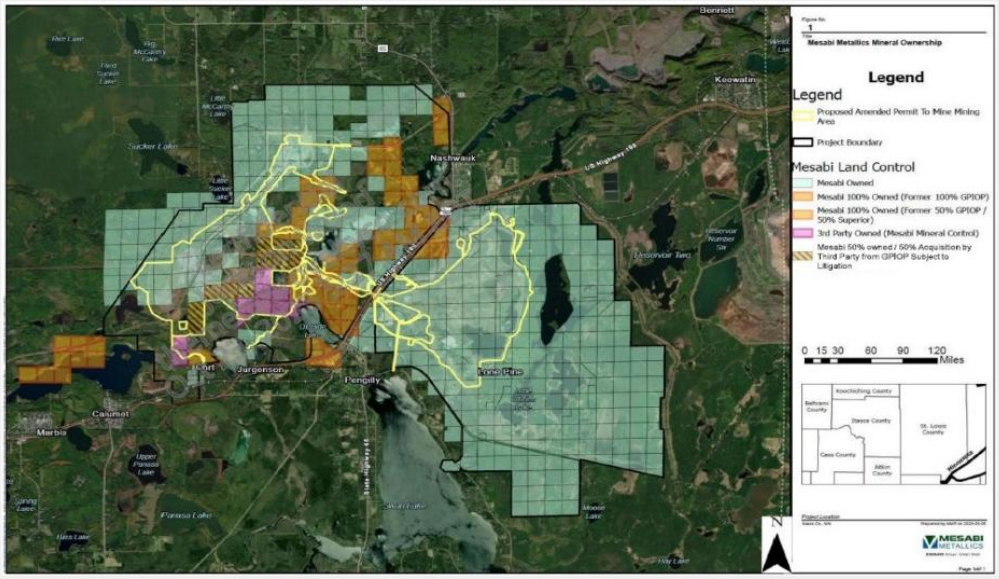

Exhibit 7: Mesabi Project Royalty Area of Interest. Source: TMCR Investor Webinar

Overview of the Mesabi Metallics Project and Strategic Positioning

Mesabi Metallics is an advanced-stage iron ore mining and pelletization project located in Nashwauk, Minnesota, on the Mesabi Iron Range. The project is being developed by Mesabi Metallics Company LLC, a privately held entity backed by the Essar Group, a diversified multinational conglomerate with interests spanning steel, energy, infrastructure, shipping, and mining. Essar Group generates approximately US$15 billion in annual revenue, manages approximately US$9.6 billion in assets, and has an operating track record spanning more than 50 years, including experience in developing and operating pellet plants of comparable scale. Essar has also reportedly invested more than US$2.0 billion of equity capital into the Mesabi Project to date, highlighting its long-term strategic commitment to the asset.

Financing visibility for the project has improved materially, with Mesabi Metallics indicated to be fully financed through first production, supporting the final stages of construction and reducing near-term project-level funding uncertainty. In March 2026, Mesabi Metallics secured a US$520 million senior secured credit facility from Breakwall Capital, followed by an additional US$150 million financing package from Macquarie Group.

In addition, the project has reportedly received indicative support of up to US$10 billion from the U.S. Export-Import Bank (EXIM), reflecting the project's increasing strategic importance within broader U.S. industrial and steel supply chain initiatives. Collectively, these financing arrangements are expected to support the final stages of construction and the transition toward commercial operations.

Exhibit 8: Construction Progress at Mesabi Metallics' Pellet Plant and Processing Facilities. Source: Mesabi Metallics

The project is being developed as a fully integrated mining, beneficiation, and pelletization operation focused on producing premium Direct Reduction ("DR")-grade iron ore pellets for use in Direct Reduced Iron ("DRI") and Electric Arc Furnace ("EAF") steelmaking applications. Upon completion, Mesabi Metallics is expected to become the first new mine and pellet plant constructed in Minnesota in nearly five decades and one of the largest private-sector industrial investments in the state's history.

Mesabi Metallics controls more than 16,000 acres on Minnesota's Iron Range, including the site of the former Butler Taconite Mine, and is positioned to become one of the few large-scale merchant suppliers of DR-grade pellets in the United States. The project's strategic relevance is supported by growing adoption of EAF-based steel production and the increasing requirement for higher-grade iron ore feedstock in lower-emission steelmaking processes. Amid constrained global DR-grade pellet supply and growing focus on strengthening domestic industrial supply chains, the project could emerge as an important domestic source of premium iron ore feedstock for North American steel producers.

Resource Base, Production Profile, and Project Economics

Mesabi Metallics is supported by a substantial reserve and resource base that supports the project's long-term production potential and strategic relevance within the North American steel supply chain. According to company disclosures, the project contains probable reserves of approximately 515 Mt grading 21.1% magnetic iron (MagFe) and 31.7% total iron (TotFe), alongside additional exclusive indicated resources of approximately 214 Mt grading 20.5% MagFe and 31.9% TotFe, as well as inferred resources of approximately 30 Mt grading 18.9% MagFe and 31.8% TotFe. Collectively, this large-scale taconite resource base supports multi-decade operational visibility and potential future expansion opportunities. The project also benefits from a well-established mineral rights position, with approximately 93% of mineral rights reportedly located on parcels fully owned by Mesabi Metallics, while the remaining rights are held through long-term renewable leases. In addition, management has indicated potential upside through the acquisition of additional state lease interests, which could further expand the project's reserve and resource inventory over time.

	Taconite		
	Tonnage (MLT)	**MagFe (%)**	**TotFe (%)**
Reserves			
Probable	515.5	21.1%	31.7%
Resources (Exclusive)			
Indicated	214.5	20.5%	31.9%
Inferred	29.5	18.9%	31.8%

Exhibit 9: Mesabi Metallics Reserves and Resource Estimates. Source: S-K 1300 Technical Report Summary

The company is developing a large-scale iron ore operation with a planned annual production capacity of approximately 7.28 Mtpa of DR-grade iron ore pellets, with a contemplated pathway to approximately 8.5 Mtpa, positioning it among the larger merchant DR-grade pellet projects under development in North America. The project is supported by an estimated mineral resource base of approximately 730 MLT indicated and 29.5 MLT inferred, implying a mine life of at least 23 years and supporting long-term production visibility, with additional long-term expansion potential beyond the initial development plan.

Exhibit 10: High-Grade DR Pellets for DRI and EAF Steelmaking Applications. Source: Mesabi Metallics

Development of the processing and pelletization infrastructure originally commenced in the late 2000s under the Essar Steel Minnesota project before construction activities were suspended following financial and restructuring challenges. The project was subsequently revived under the Mesabi Metallics brand after Essar Group recommitted capital and operational support beginning in 2017. According to TMCR's transaction disclosure, over US$2.5 billion is expected to be invested in core project infrastructure by completion, with the broader Mesabi Project now approximately 99% complete, with first-line commissioning targeted for 3Q 2026 and first production expected in 4Q 2026, with ramp-up toward full production expected during 2027.

The processing infrastructure incorporates a concentrator, balling, induration, and cooling systems designed to produce premium DR-grade pellets for Direct Reduced Iron (DRI) and Electric Arc Furnace (EAF) steelmaking applications. The beneficiation circuit is expected to incorporate advanced magnetic separation and flotation technologies designed to maximize iron recovery and reduce impurity content within the final pellet product. The facility is also being developed with advanced emissions control technologies and increasing electrification across portions of the mining and processing operations. In addition, heat generated during the pellet cooling stage is expected to be recovered and reused within portions of the processing circuit to improve overall energy efficiency. Mining operations are expected to utilize electrically powered shovels

and advanced lower-emission haulage equipment as part of the project's broader focus on operational efficiency and environmental performance. Approximately 800 construction workers are currently active on-site as development progresses toward commercial operations.

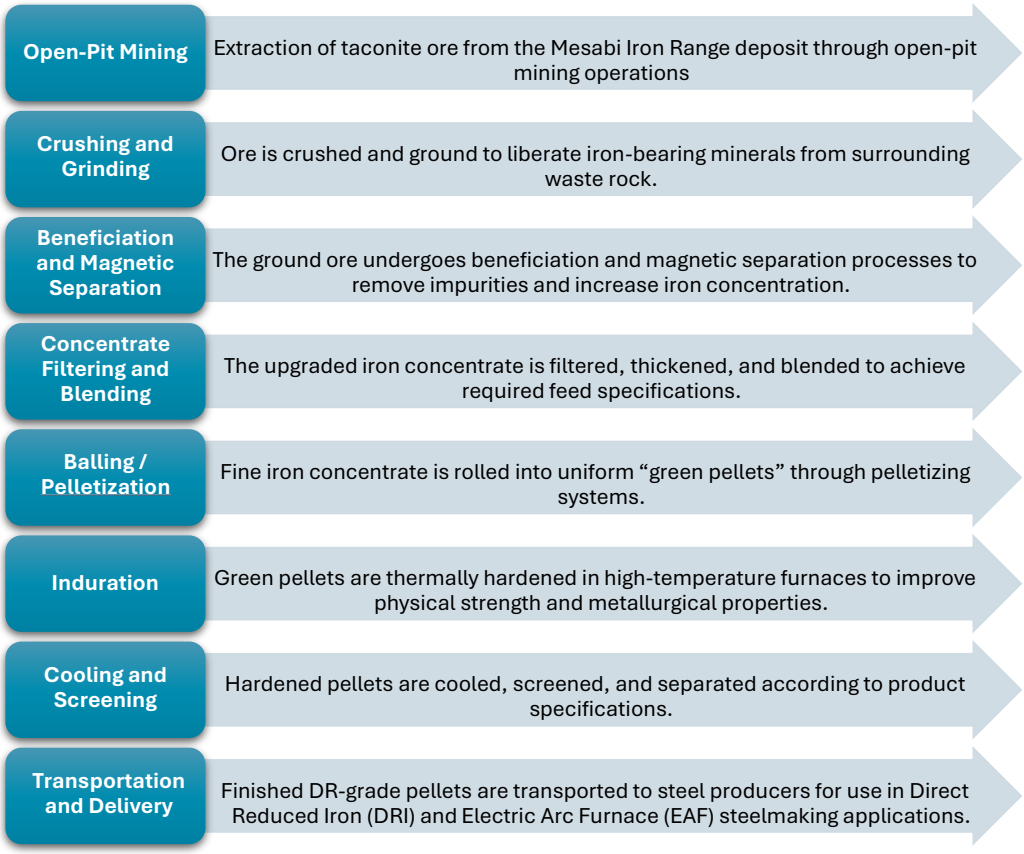

Exhibit 11: Mesabi Metallics DR-Grade Pellet Production Process. Source: Company Website, Diamond Equity Research

The project's focus on DR-grade pellets is strategically important, as these products typically command premium pricing relative to conventional blast furnace-grade iron ore products due to their higher iron content and lower impurity levels. Mesabi Metallics has indicated expected impurity levels of approximately 1.8% SiO2 and 0.1% Al2O3, supporting the production of high-purity DR-grade pellets suitable for premium DRI feedstock applications. The anticipated production profile positions the project to benefit from structural demand growth linked to expanding DRI and EAF steelmaking capacity globally. Growing demand for lower-carbon "green steel" production is also expected to support long-term demand for premium DR-grade pellet feedstock.

Appendix

Income Statement	FY2024 A	FY2025 A	FY2026 E	FY2027 E	FY2028 E
Net sales	-	-	4,177,777.1	32,438,718.7	56,244,973.5
Cost of sales (Depletion of Royalty and Streaming Interests)	-	-	(1,993,589.8)	(12,231,304.0)	(12,474,205.5)
Gross profit	**-**	**-**	**2,184,187.3**	**20,207,414.7**	**43,770,767.9**
Operating expenses					
General and Administrative Expenses	(870,750.0)	(6,067,900.0)	(12,324,442.4)	(8,758,454.0)	(9,021,207.7)
Share-based compensation expenses	(338,229.0)	(640,207.0)	(11,071,109.3)	(4,428,443.7)	(2,878,488.4)
Consulting fees related to purchase of royalty interest from related parties	-	-	-	-	-
Income from Operations	**(1,208,979.0)**	**(6,708,107.0)**	**(21,211,364.3)**	**7,020,517.0**	**31,871,071.9**
Interest income	57,906.0	244,467.0	1,010,163.2	532,752.0	1,121,331.9
Interest expense		-	(7,243,200.0)	(12,072,000.0)	(12,072,000.0)
Other income/expense		-	(1,600,000.0)	-	-
Profit before exceptional items, extraordinary items and tax	**(1,151,073.0)**	**(6,463,640.0)**	**(29,044,401.1)**	**(4,518,731.1)**	**20,920,403.7**
Exchange loss (net)	-	-	-	-	-
Profit before tax from continuing operations	**(1,151,073.0)**	**(6,463,640.0)**	**(29,044,401.1)**	**(4,518,731.1)**	**20,920,403.7**
Income tax (expense) benefit	293,969.0	(380,170.0)	-	-	(5,648,509.0)
Net earnings including noncontrolling interests	**(857,104.0)**	**(6,843,810.0)**	**(29,044,401.1)**	**(4,518,731.1)**	**15,271,894.7**

Exhibit 12: Financial Statement Snapshot (in US$).
Source: Diamond Equity Research

Risk Factors

TMCR's business model remains dependent on the successful development, commissioning, and long-term operation of a limited portfolio of non-operating royalty assets within highly regulated and capital-intensive industries. As a royalty holder without direct operational control, the company's performance relies largely on third-party operators' ability to execute project development, secure and maintain permits, obtain financing, manage construction and operational activities, and achieve sustained commercial viability.

- **Concentration Risk and Dependence on Limited Royalty Assets:** TMCR remains dependent on a limited number of principal royalty assets for future cash flow generation. The company's financial performance and valuation remain highly sensitive to the successful development, commissioning, and long-term operation of the NORI Property and the Mesabi Metallics Project. Any delays, technical setbacks, cost overruns, permitting challenges, operational disruptions, or adverse market developments affecting either project could materially impair expected royalty revenues and reduce portfolio cash flow visibility.

- **Project Development and Construction Risk:** Both the NORI Property and the Mesabi Metallics Project remain subject to development and execution risk. The NORI Project has not yet achieved commercial production and remains exposed to regulatory uncertainty surrounding deep-sea mining, while Mesabi Metallics, despite being approximately 99% complete, continues to face commissioning, first-production, ramp-up, and operational execution risk ahead of targeted first-line commissioning in 3Q 2026 and first production in 4Q 2026. Large-scale mining and processing projects frequently encounter delays, technical failures, labor shortages, inflationary cost pressures, equipment performance issues, and funding gaps, any of which could materially impact project economics and delay royalty cash flow generation.

- **Commodity Price and Market Risk:** TMCR's royalty portfolio is exposed to volatility in critical mineral, iron ore, and steel market pricing. Royalty revenues from Mesabi Metallics will be linked to DR-grade iron ore pellet pricing, which may fluctuate significantly due to global steel demand, Chinese industrial activity, shifts in steelmaking technologies, raw material costs, trade policies, and broader macroeconomic conditions. Although DR-grade pellets currently benefit from premium pricing dynamics associated with EAF and DRI steelmaking growth, there can be no assurance that these premiums will remain elevated over the long term.

- **Royalty Reduction and Structural Risk:** Certain royalty agreements may contain provisions that reduce long-term economic exposure. In the case of Mesabi Metallics, the royalty rate is scheduled to step down following cumulative production thresholds, which could reduce future royalty revenues over time. Similarly, the NORI royalty agreement includes staged buy-back rights permitting the operator to repurchase a substantial portion of the royalty interest. If exercised, such provisions could materially reduce TMCR's long-term participation in project upside.

- **Exposure to Operator Financial Health and Counterparty Risk:** Advancement of the company's royalty assets depends heavily on the financial strength, operational capability, and strategic priorities of third-party operators. Mesabi Metallics is indicated to be fully financed through first production but remains dependent on successful commissioning, ramp-up, operator execution, and any future capital required beyond initial production, while the NORI Project remains dependent on substantial future capital requirements, specialized infrastructure, and regulatory approvals. Any deterioration in operator financial condition, inability to secure financing, insolvency risk, operational underperformance, or strategic reprioritization could delay or impair project development and royalty cash flow generation.

- **Leverage, Refinancing, and Dilution Risk:** TMCR's financing of the additional Mesabi royalty has materially increased its leverage and fixed financing obligations. The company's capital structure now includes US$140 million of convertible senior secured second-lien notes and a US$25 million first-lien senior secured term loan, creating cash and PIK interest obligations as well as future refinancing requirements. In addition, the vendor equity issuance, Macquarie warrants, and potential conversion of the notes could result in material shareholder dilution. TMCR's ability to service and ultimately reduce these obligations will therefore become increasingly dependent on the timing and scale of Mesabi royalty cash flows.

- **Limited Operating History and Lack of Revenue Generation Risk:** The company has a minimal operating track record and has not yet generated revenue from its principal royalty assets. It has historically incurred losses and may require additional financing to sustain operations until royalty income commences. Failure to obtain additional assets, diversify the portfolio, or achieve positive cash flow could materially impair long-term sustainability. If the project does not reach commercial viability, the company may generate minimal or no cash flow, potentially resulting in a substantial erosion of shareholder value.

- **Permitting, Regulatory, and Environmental Risk:** Mining and mineral processing projects are subject to extensive environmental regulation, permitting requirements, and evolving policy frameworks. The NORI Project faces significant regulatory uncertainty relating to deep-sea mining governance and international seabed regulations, while Mesabi Metallics remains exposed to environmental compliance, emissions regulation, permitting renewals, and operational approval requirements associated with large-scale mining and pelletization activities in the United States. Adverse regulatory developments, litigation, permitting delays, or tightening environmental standards could materially impact project timelines and economics.

This list of risk factors is not comprehensive. For a full list risk factors, please read The Metals Royalty Company Inc.'s latest prospectus and/or annual filings

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