



Initiation of Coverage

THE METALS ROYALTY COMPANY INC.

Please see last page for important disclosures

The Metals Royalty Company Inc.
(NasdaqCM: TMCR)

Royalty Portfolio Highlights

Core Royalty Assets	NORI; Mesabi
NORI Royalty Interest	2.0% GORR
Mesabi Royalty Interest	1.0% GORR
Operator	TMC, Mesabi
Project Stage	Development
NORI-D Mine Life	19 Years
Mesabi Mine Life	23 Years
Cash*	\$31.31 M

*Cash balance as of March 2026 (excluding recent financing)

Revenue (in \$mm)

Dec – FY	2025A	2026E	2027E
Q1	N/A	0.00	3.27
Q2	N/A	0.00	3.43
Q3	0.00	1.60	3.50
Q4	0.00	2.55	9.21
FY	0.00	4.15	19.41

EPS (in \$)

Dec – FY	2025A	2026E	2027E
Q1	N/A	(0.20)	(0.04)
Q2	N/A	(0.07)	(0.04)
Q3	(0.04)	(0.05)	(0.04)
Q4	(0.12)	(0.04)	0.02
FY	(0.16)	(0.36)	(0.10)

Key Potential Catalysts

- Mesabi iron ore project commissioning
- NOAA permitting progression
- NORI project financing and processing infrastructure development
- NORI initial commercial production target
- Further technical studies on broader NORI areas
- Strengthening critical minerals prices

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The Metals Royalty Company: Capital-Light Royalty Exposure to Potentially World-Scale Polymetallic Nodule Resource and Strategic Iron Ore Assets

Share Price

\$12.90

Valuation

\$20.35

Investment Highlights

TMCR Offers Royalty Exposure to Large-Scale Critical Minerals and Strategic Iron Ore Assets Without Mine-Build Capital Risk: TMCR's portfolio is anchored by a 2.0% gross overriding royalty on the NORI project, providing direct participation in project revenues without exposure to the substantial capex, operating execution, and sustaining capital requirements borne by the operator. This remains the central asymmetry in the investment thesis, offering exposure to a potentially world-scale critical minerals project through an asset-light royalty structure. Based solely on the NORI-D area and under a no-buyback scenario, we estimate TMCR could generate approximately \$1.4 billion of life-of-mine royalty revenue, or \$70–75 million of average annual royalty revenue over a 19-year mine life. Even under a buyback scenario at NORI, TMCR would receive cash proceeds upon exercise of the repurchase rights, partially offsetting the reduction in long-term royalty exposure. In May 2026, the company also announced the acquisition of a 1.0% royalty on the Mesabi Metallics iron ore project, adding anticipated near-term royalty cash flow exposure tied to premium DR-grade iron ore pellets while further diversifying the portfolio. The royalty includes a \$1.50/t revenue floor for downside protection, alongside an option to acquire an additional 1.0% royalty interest and a right of first offer (ROFO) on an additional 2.0% royalty retained by the seller.

Multi-Metal Exposure to Critical Minerals and Strategic Industrial Commodities Supporting the Energy Transition: The underlying NORI polymetallic nodules contain economically significant quantities of nickel, copper, cobalt, and manganese, providing diversified exposure to metals that play central roles in battery manufacturing and energy infrastructure. NORI-D reserves alone contain approximately 0.7 Mt nickel, 0.6 Mt copper, 0.1 Mt cobalt, and 15.8 Mt manganese, while total resources across NORI-D and the broader NORI area significantly exceed these figures. In addition, the recently announced Mesabi Metallics royalty acquisition adds exposure to premium DR-grade iron ore pellets, a strategically important feedstock for lower-emission DRI and EAF steelmaking. Collectively, this diversified commodity exposure reduces reliance on a single commodity cycle while increasing participation in multiple long-term industrial and decarbonization trends.

Valuation: TMCR provides royalty-based exposure to two strategically important mineral platforms, the large-scale NORI polymetallic nodule project and the near-production Mesabi Metallics DR-grade iron ore pellet project. NORI offers critical minerals exposure to nickel, copper, cobalt, and manganese through a 2.0% GORR, supported by an estimated 164 Mt of recoverable nodules at NORI-D. Mesabi adds nearer-term cash flow visibility through an effective 1.0% index-priced GORR on a U.S. green steel-linked asset with a 23+ year mine life, and first production targeted for H2 2026. TMCR has also exercised its option to acquire an additional 1.0% royalty interest in Mesabi, which, if completed, would increase the company's total royalty exposure to 2.0% and further enhance long-term royalty cash flow potential. Our valuation approach uses a blended approach, combining an NPV of projected NORI-D and Mesabi royalty cash flows at 7.0% discount rate with a discounted EV/Sales-based GPCM. Based on this blended methodology, we arrive at an illustrative valuation of \$20.35 per share, contingent on successful execution by the company.

Company Description

The Metals Royalty Company Inc. is a British Columbia-based royalty company focused on critical metals and minerals. Its principal asset is a 2.0% gross overriding royalty (GORR) on NORI polymetallic nodule project located in Clarion-Clipperton Zone (CCZ) of the Pacific Ocean.

Strategic Exposure to Critical Mineral Supply Chains: Global supply chains for several battery metals remain highly concentrated geographically. Indonesia is projected to dominate global nickel supply, the DRC accounts for over 60% of global cobalt production, and China controls a significant share of global processing capacity across multiple critical minerals. Large-scale polymetallic nodule deposits in the Clarion-Clipperton Zone represent a potential alternative supply source for nickel, copper, cobalt, and manganese, aligning with broader efforts to diversify supply chains for energy transition metals.

The NORI Royalty Sits on One of the Largest and Highest-grade Undeveloped Nickel-equivalent Systems Globally: The broader NORI contract area hosts an estimated 866 million wet tonnes of polymetallic nodules, with a resource base grading approximately 3.0–3.4% NiEq, compared to an industry average of around ~1.15% NiEq for terrestrial nickel deposits, implying roughly 2.5–3.0x higher metal concentration per tonne. Within this system, NORI-D alone contains a 51 Mwmt probable reserve, along with 347 Mwmt indicated, 5 Mwmt measured, and 11 Mwmt inferred resources. Beyond NORI-D, the remaining exploration areas, NORI-A (72 Mwmt inferred), NORI-B (36 Mwmt inferred), and NORI-C (402 Mwmt inferred), collectively add approximately 510 Mwmt of additional resource potential. This combination of exceptional scale, high grades, and significant expansion potential is rare in mining and supports the view that TMCR's royalty represents exposure to a globally significant, long-life mineral system, rather than a single-asset project.

Platform Strategy to Build a Scaled Critical Minerals and Strategic Materials Royalty Portfolio: TMCR is positioned to evolve beyond its cornerstone NORI royalty into a dedicated royalty and financing platform focused on critical minerals and strategic industrial supply chains. The broader mandate is to acquire royalties, streams, and similar interests across assets linked to electrification, industrial infrastructure, steel decarbonization, and defense supply chains, aligning with ongoing U.S. re-industrialization efforts. The recently announced Mesabi Metallics royalty acquisition represents an important step in this diversification strategy by adding exposure to a large-scale domestic DR-grade iron ore pellet project with anticipated near-term cash flow potential. This strategy reflects an early-stage portfolio build anchored by high-quality long-life assets, with the intention to diversify exposure across multiple projects and commodities over time. Within the public markets, there are limited pure-play royalty companies focused specifically on critical minerals and strategic industrial commodities tied to supply-chain security, positioning TMCR as a differentiated capital partner for developers seeking non-dilutive financing solutions in these sectors.

The Company's Lean Cost Structure Creates Unusually High Operating Leverage if NORI Reaches Production: TMCR's reported results reflect its pre-revenue status, lean royalty-focused structure, and recent transition to a public company. For FY 2025, the company reported an operating loss of approximately \$6.71 million, largely driven by general and administrative expenses of \$6.07 million and share-based compensation of \$0.64 million. In Q1 2026, reported expenses increased following the listing, with general and administrative expenses of \$4.66 million, including \$2.61 million of direct listing expenses, and share-based compensation of \$6.10 million, indicating that a meaningful portion of headline costs was either listing related or non-cash in nature rather than purely recurring operating spend. As of March 31, 2026, cash and cash equivalents increased to \$31.3 million, following the receipt of subscription receipt proceeds. This liquidity position combined with the absence of direct mine development, operating or processing cost obligations underlined the operating leverage, embedded in TMCR's royalty model. If NORI-D reaches commercial production, royalty revenue could flow through a largely fixed corporate cost base, allowing even moderate revenue generation to materially improve operating income and cash flow once production commences.

Regulatory and Policy Tailwinds from U.S. Critical Minerals Strategy: U.S. industrial and energy policy is increasingly focused on securing stable supplies of critical minerals essential for electrification, advanced manufacturing, and defense technologies. Net U.S. import reliance remains substantial, estimated at approximately 48% for nickel (nearly 100% excluding alloy scrap), 76% for cobalt, 45% for copper, and 100% for manganese, highlighting structural supply vulnerabilities. In response, legislation such as the Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law has introduced financial incentives, tax credits, and financing support to accelerate critical mineral supply chains across the U.S. and allied jurisdictions. Additional policy initiatives, including the March 2025 directive to increase American mineral production and the April 2025 initiative to develop offshore critical mineral resources, further emphasize government support for diversified sources of battery metals. Given TMCR's royalty exposure to nickel, cobalt, copper, manganese, and iron, these policy developments could enhance the strategic relevance of such resources while supporting broader investment across the critical minerals sector.

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. However, the company has recently taken steps toward portfolio diversification through the proposed acquisition of a royalty interest in the Mesabi Metallics iron ore project in Minnesota, United States, which is expected to provide 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).

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 its principal asset, 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

TMCR's portfolio is anchored by a 2.0% gross overriding royalty (GORR) on the NORI polymetallic nodule project in the Clarion-Clipperton Zone, acquired in February 2023 for \$14.1 million, with first production targeted for Q4 2027. In May 2026, the company also announced the acquisition of a 1.0% royalty on the Mesabi Metallics iron ore project in Minnesota for approximately US\$132.5 million, adding anticipated near-term royalty cash flow and further diversifying the portfolio

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. 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. Mesabi Metallics is targeting commissioning in H2 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 acquisition, 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.

Core Asset Exposure - 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 km², of which NORI Area D (approximately 25,160 km²) 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](https://www.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.

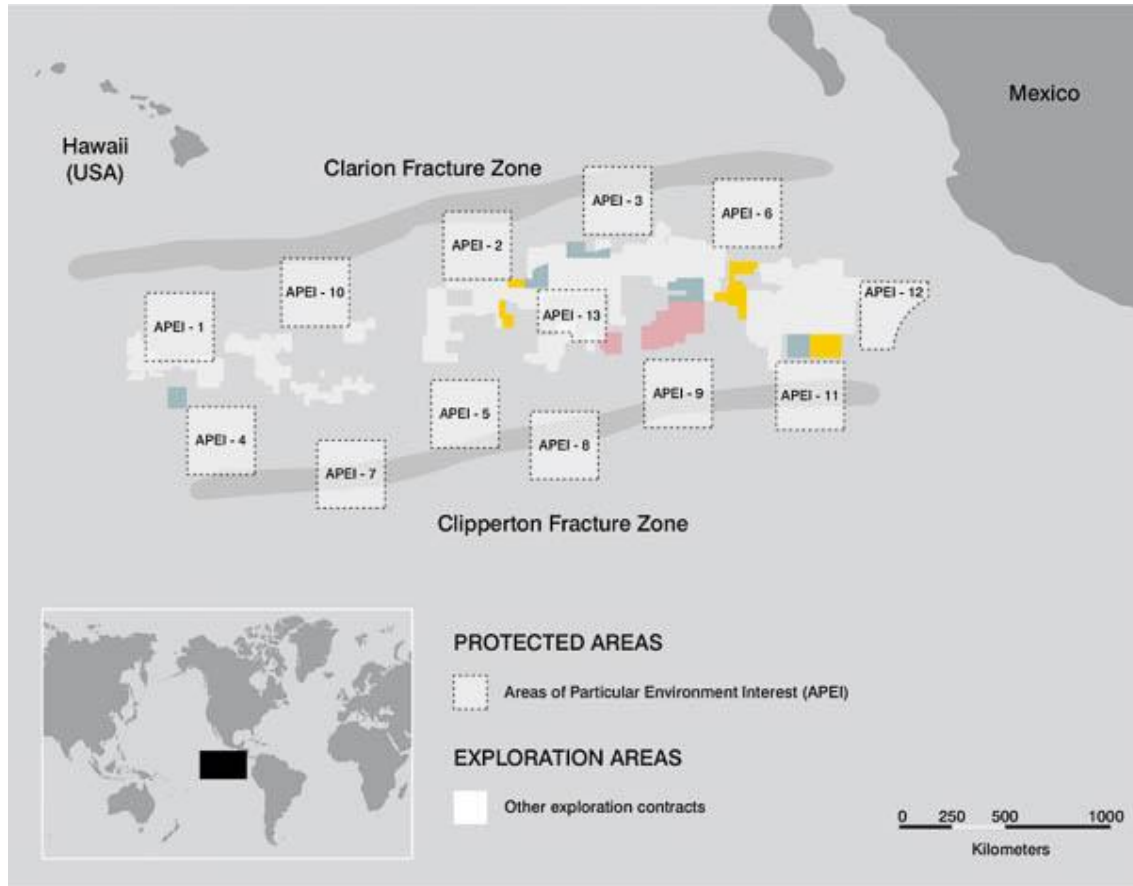


Exhibit 2: NORI Property Footprint within ISA-Designated Exploration and Protection Areas. Source: The Metals Company

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 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.

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

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 km², 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.

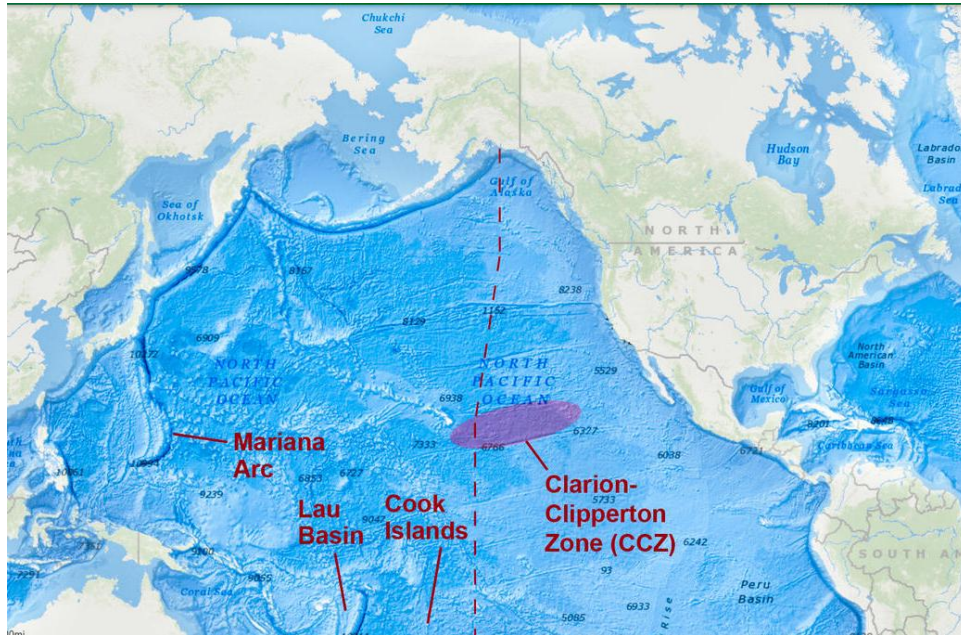


Exhibit 3: Geographic Location of the Clarion–Clipperton Zone (CCZ) in the Central Pacific Ocean. Source: [USGS](#)

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 chinks 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 km² 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/m², 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	1.14	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

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

Mwmt of probable reserves and anticipates life-of-mine nodule production of approximately 164 Mwmt. At 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.

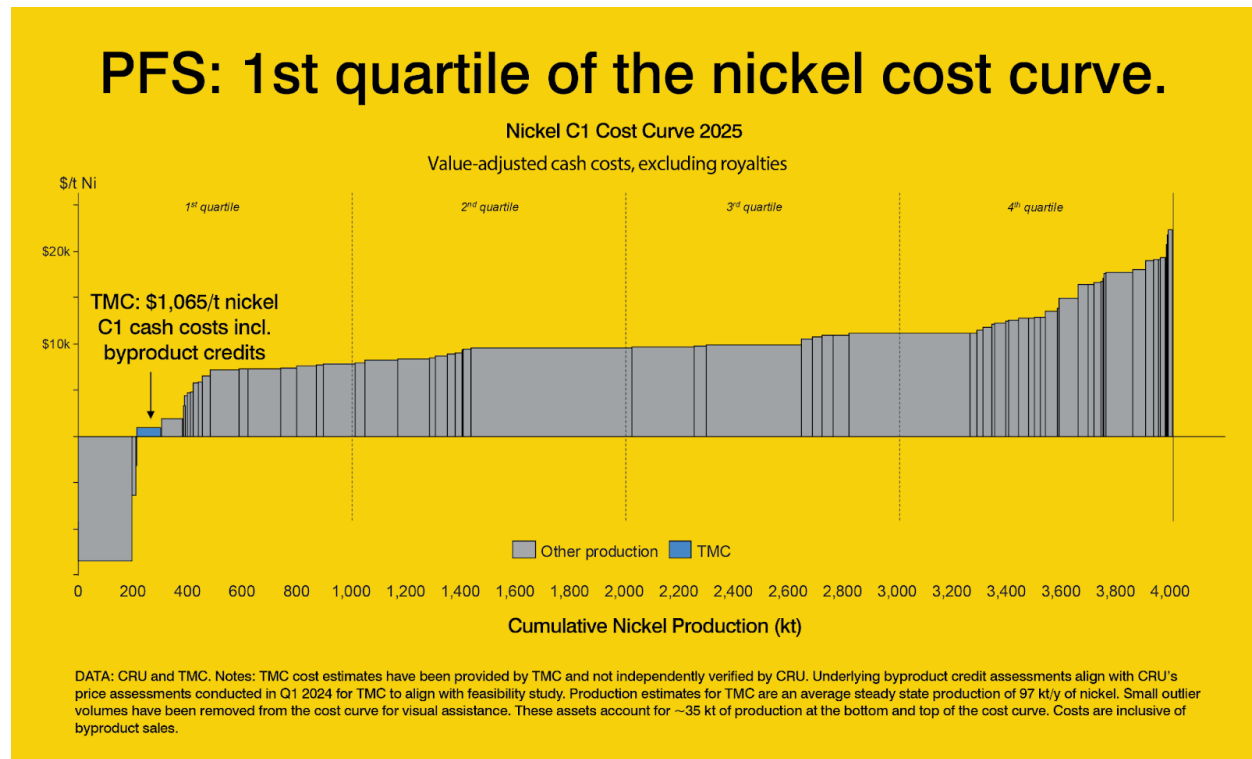


Exhibit 5: TMC Positioned in the First Quartile of the Global Nickel Cost Curve (2025). Source: [The Metals Company PFS](#)

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 Company 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 km², NORI-B covering approximately 3,519 km², and NORI-C covering approximately 37,227 km², 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/m² 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/m² 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/m² 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.

Polymetallic Nodules Offer a Multi-Resource Base

Polymetallic nodules, often called manganese nodules, are naturally occurring mineral concretions found on the deep ocean floor, primarily on abyssal plains at depths of roughly 4,000–6,000 meters. They are typically potato-shaped or spherical rocks ranging from a few millimeters to over 20 centimeters in diameter and occur loose on the sediment surface rather than embedded in bedrock. Although polymetallic nodules occur across multiple ocean basins, economically significant and well-characterized deposits are concentrated in a limited number of regions, notably the Clarion-Clipperton Zone (CCZ), Peru Basin, Penrhyn Basin, and Central Indian Ocean Basin, with the CCZ in the Pacific Ocean representing by far the largest, most extensively studied, and highest-potential accumulation globally. Because they sit exposed on the seabed, they can theoretically be collected without drilling or blasting, distinguishing them fundamentally from conventional terrestrial ores. Nearly all collected material constitutes ore, which can translate into efficient metal yield per tonne mined.



Exhibit 7: Typical Deep-Sea Polymetallic Nodule. Source: [The Metals Company](#)

Nodules form extremely slowly, on the order of millimeters per million years, through precipitation of dissolved metals from seawater and pore water around a nucleus such as a shell fragment, shark tooth, or rock particle, making nodules among the slowest-forming mineral resources known. Over geological time, concentric layers of metal oxides accumulate, producing a laminated internal structure rich in manganese and iron oxyhydroxides that act as hosts for other trace metals. Two primary geochemical growth mechanisms recognized are hydrogenetic precipitation directly from seawater and diagenetic remobilization of metals within sediments. The balance between these processes influences metal content, particularly cobalt enrichment in hydrogenetic nodules and nickel–copper enrichment in diagenetic ones.



Exhibit 8: Polymetallic Nodule Field on Deep-Ocean Floor. Source: GEOMAR

Hydrogenetic formation involves the direct precipitation of dissolved metals from cold, oxygenated seawater onto exposed surfaces at the sediment–water interface. In this process, manganese and iron in solution

oxidize and accumulate as thin layers of manganese-iron oxyhydroxides, progressively coating a nucleus such as a rock fragment or fossil debris. Because seawater contains elevated concentrations of certain trace elements relative to sediments, hydrogenetic material is typically enriched in cobalt, titanium, rare earth elements, and platinum-group metals, with cobalt contents commonly around 0.2–0.3% or higher depending on location. Growth through this pathway is extremely slow (often ≤ 5 millimeters per million years), but produces chemically distinctive outer layers that reflect long-term interaction with seawater.

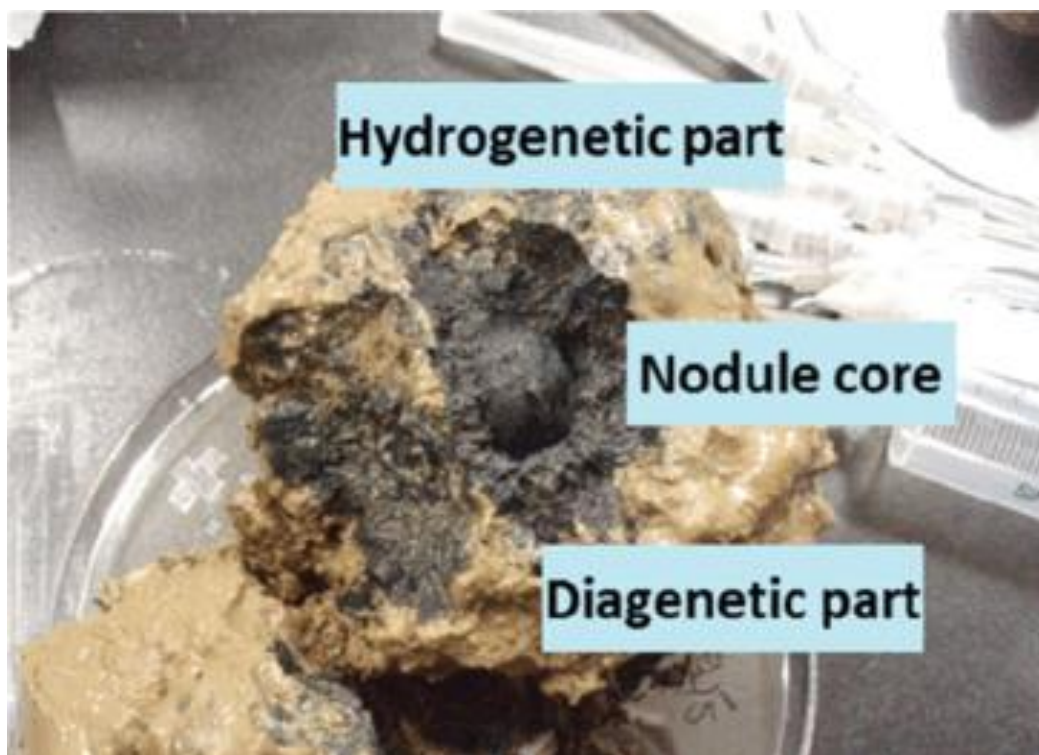


Exhibit 9: Hydrogenetic and Diagenetic Zonation in a Polymetallic Nodule. Source: [Ocean Science Journal](#)

Diagenetic formation, by contrast, occurs within or just beneath the upper layers of seafloor sediment, where microbial decomposition of organic matter alters pore-water chemistry under low-oxygen conditions. These reactions release manganese and associated metals from sediments into solution, allowing dissolved species such as dissolved manganese in seawater (Mn^{2+}) and other cations to migrate upward through pore waters and reprecipitate onto existing nodules. Diagenetic input typically produces faster growth than hydrogenetic deposition and results in enrichment of nickel and copper, often reaching approximately 1.2–1.5% Ni and 1.0–1.3% Cu in the CCZ. This pathway is therefore a principal contributor to the economic value of nodules targeted for battery-metal production. The upward flux of metals from sediments contrasts with the downward accretion of colloidal manganese from seawater in hydrogenetic growth, together producing layered internal structures with differing compositions and densities.

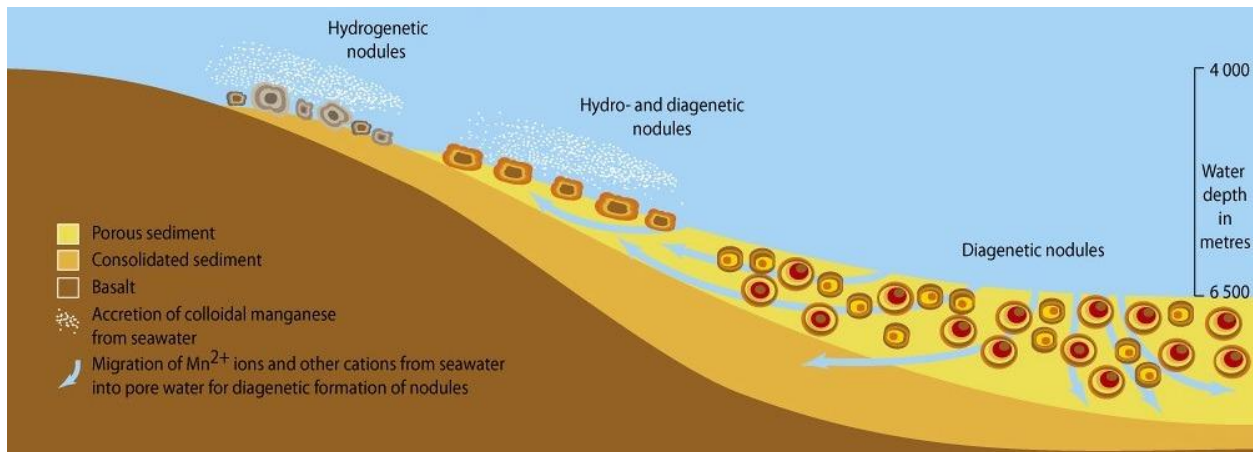


Exhibit 10: Geochemical Processes Governing Deep-Sea Nodule Formation. Source: [Deep Sea Minerals Volume 1B](#)

Polymetallic nodules are considered valuable because they contain multiple commercially important metals within a single material, enabling the simultaneous recovery of several commodities from one resource. Typical nodules in the CCZ comprise approximately 27–32% manganese, 5–15% iron, 1.2–1.5% nickel, 1.0–1.3% copper, and 0.1–0.25% cobalt, along with trace quantities of molybdenum, lithium, rare earth elements, and other metals. While manganese constitutes the bulk of the mass, the economic value is largely driven by nickel and copper, supported by cobalt, owing to their higher market prices and strong demand from battery manufacturing, electrification infrastructure, and renewable energy technologies. In addition to their metal content, the mineralogical characteristics of nodules differentiate them from many terrestrial ores. They generally contain relatively low levels of radioactive elements and are largely free of sulfide minerals that can produce acid mine drainage during processing and waste handling. This absence of sulfides can simplify downstream environmental management at onshore processing facilities compared with sulfide-based deposits.

Deep-Sea Polymetallic Nodule Mining Process

Mining of polymetallic nodules differs fundamentally from conventional terrestrial mining because the resource occurs as loose deposits on the seabed surface rather than within rock formations. Extraction, therefore, does not involve drilling, blasting, or removal of overburden. Instead, operations are based on a continuous offshore production system designed to collect, transport, and process nodules in situ at water depths typically ranging from 4,000 to 6,500 meters.

The process begins with autonomous or remotely operated collector vehicles deployed from a surface production vessel to the ocean floor. The proposed seabed mining system is designed to operate across relatively flat abyssal terrain typical of the Clarion-Clipperton Zone, with collector vehicles engineered to traverse seafloor gradients of up to approximately 6° , enabling efficient recovery of polymetallic nodules while maintaining vehicle stability and minimizing sediment disturbance during operations. These tracked machines traverse the seabed, gathering nodules using mechanical pick-up systems combined with low-pressure hydraulic suction. As they move, they separate nodules from surrounding sediment and feed them into onboard crushers or slurry systems. Because nodules rest on the surface, nearly all material collected constitutes ore, resulting in minimal dilution compared with land-based mining operations. Once collected, nodules are mixed with seawater to form a slurry and pumped upward through a vertical riser system

extending several kilometers to the surface vessel. This riser pipe represents one of the most critical components of the mining system, as it must transport abrasive material continuously under high pressure while maintaining structural integrity in a dynamic marine environment. Pumps located along the riser or at the seabed provide the energy required to lift material against gravity and hydrostatic pressure.

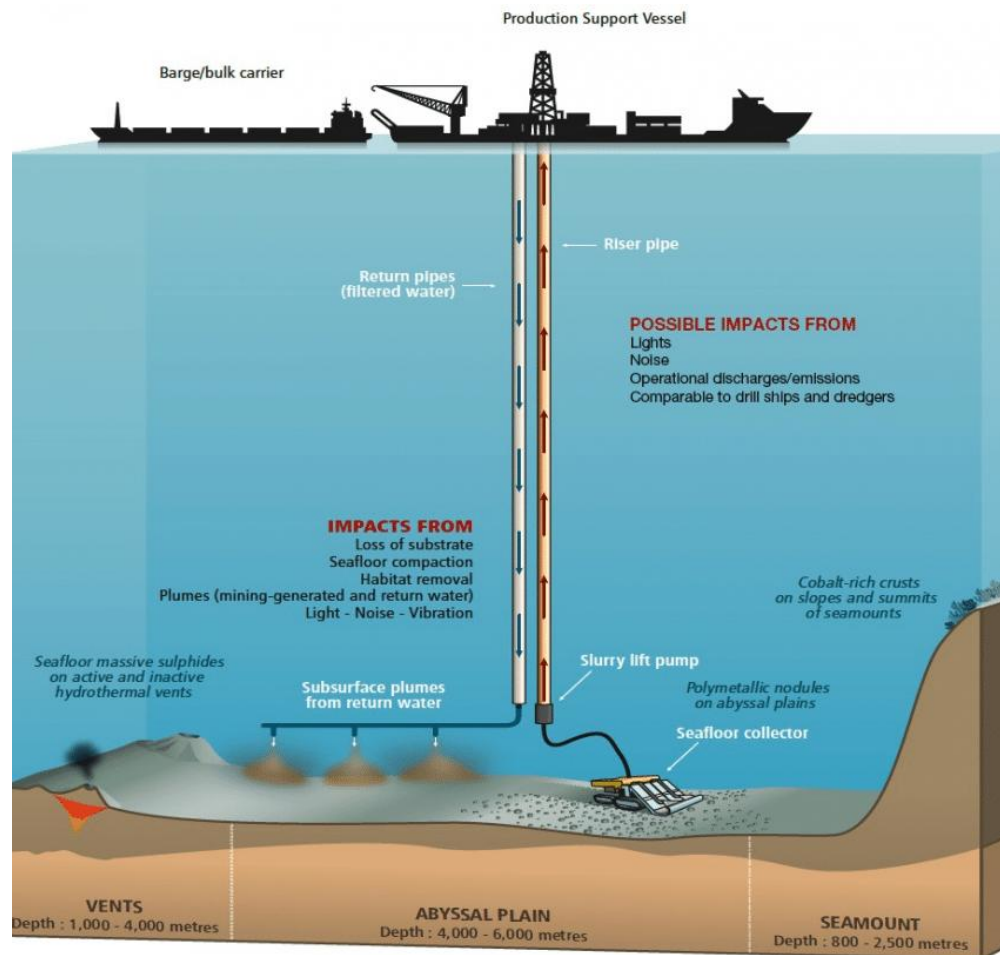


Exhibit 11: Integrated Deep-Sea Nodule Mining System and Impact Pathways. Source: [Elerian et al.](#)

At the surface, the production support vessel performs initial processing, typically involving dewatering to separate nodules from seawater. The water is treated and returned to the ocean at controlled depths to minimize environmental impact, while the solid material is stored onboard. Once capacity is reached, nodules are transferred to bulk carriers for transport to onshore processing facilities, where metals are extracted using hydrometallurgical methods. Operationally, the system functions as a continuous production chain linking seabed equipment, vertical transport infrastructure, and surface logistics. Dynamic positioning technology keeps the vessel precisely above the mining area, enabling coordinated movement of the collector across designated tracks on the seabed. Production rates are determined by factors such as nodule abundance, collector efficiency, pumping capacity, and weather conditions at the surface. Shore-based processing of NORI polymetallic nodules follows a staged metallurgical pathway that combines established pyrometallurgical and hydrometallurgical technologies adapted to nodule chemistry. TMC initially developed an integrated pyrometallurgical and hydrometallurgical flowsheet to directly produce nickel & cobalt sulfate

battery feedstocks, copper cathode, and manganese silicate. As development advanced, the strategy evolved toward a lower-capital commercialization pathway by leveraging existing underutilized rotary kiln electric furnace (RKEF) capacity, a mature and widely deployed smelting technology commonly used in nickel laterite processing, thereby reducing upfront greenfield infrastructure requirements and accelerating time to market.

After delivery to port, the nodules are conditioned as required and first subjected to rotary kiln calcining to remove moisture and volatile components. The calcined material is then smelted in an electric furnace as part of the RKEF process, which enables high-temperature reduction and separation of metals into discrete phases. This step concentrates nickel, copper, and cobalt into a metal-rich matte (or alloy), while the majority of manganese reports to a silicate slag stream. The matte can either be sold directly or further converted and refined into saleable nickel, copper, and cobalt intermediates.

Initial commercialization is structured to minimize capital intensity and accelerate time to revenue by utilizing third-party tolling arrangements. The Metals Company TMC intends to use existing RKEF capacity at Pacific Metals Co., Ltd. (PAMCO) Hachinohe facility in Japan, which has already completed demonstration-scale calcining and smelting trials using nodules from NORI's 2022 test mining campaign. These trials validated the production of high-quality nickel-cobalt-copper alloy and manganese silicate. The second stage represents the planned long-term transition to in-house refining. In this flowsheet, matte from the smelter is ground and subjected to atmospheric and pressure oxidative leaching (POX), where metals are dissolved into solution. Sequential solvent extraction (SX) circuits then separate copper, nickel, and cobalt into individual streams. These streams undergo crystallization and drying to produce high-purity battery-grade products, including nickel sulfate, cobalt sulfate, and copper cathode. An ammonium sulfate by-product is also generated.

Commercialization is structured as a phased evolution. Phase one emphasizes matte production via third-party tolling to reduce capital intensity and execution risk. Beginning around Year 6 of operations, TMC plans to commission a hydrometallurgical refinery in Texas, U.S., with initial capacity aligned to approximately 6 Mwmt per annum of nodules. By Year 10, full vertical integration is envisioned through two hydromet plants with a combined capacity of roughly 12 Mwmt per annum. This staged approach aims to capture higher margins, reduce reliance on external processors, and align output with growing demand for battery-grade nickel and cobalt chemicals while retaining optionality for manganese sulfate production as battery chemistries evolve.

While the technical, environmental, and regulatory challenges associated with deep-sea mining remain significant, it is important to note that these risks are borne primarily by the project operator responsible for developing and managing the mining system (The Metals Company). Royalty holders (The Metals Royalty Company) typically do not participate in project construction, capital expenditure, or operational activities and instead receive a contractually defined percentage of production or revenue. As a result, although project performance directly influences royalty cash flows, the underlying development, operating, and execution risks remain with the operator rather than the royalty company.

NORI nodules are expected to be collected from the seabed, transported to a surface vessel, and processed into battery metals, while TMCR, as a royalty holder, is not involved in mining, processing, or capital expenditures and instead receives a percentage of project revenues, leaving operational and development risks with the operator

Nickel Represents the Most Economically Significant Metal within the NORI-D Resource Base

Nickel represents the most strategically and economically significant metal within the NORI-D deposit, highlighted by its potential as a supplier to both traditional industrial markets and emerging battery supply chains. Nickel prices have exhibited considerable cyclical volatility over the past decade, reflecting shifts in industrial demand, battery supply chain expectations, and evolving supply dynamics.⁵ Prices increased from approximately US\$8,000–\$9,000 per tonne in 2016 to above US\$20,000 per tonne by 2021 as expectations for EV battery demand strengthened. The market experienced an exceptional spike in 2022, when prices briefly exceeded US\$30,000 per tonne amid supply disruptions and short-covering activity. Subsequently, prices corrected toward the US\$15,000–\$18,000 per tonne range during 2023–2025 as rapid supply expansion, particularly from Indonesia’s nickel laterite sector, introduced near-term oversupply conditions. Despite this cyclical adjustment, long-term demand fundamentals remain supported by electrification trends and the continued adoption of nickel-intensive battery chemistries.

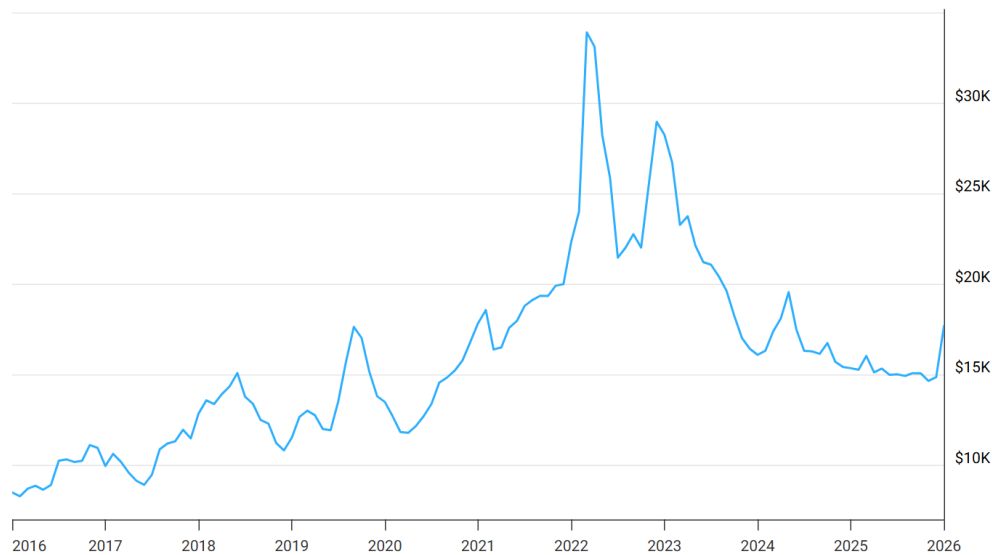


Exhibit 12: Nickel Prices in USD per Mt (2016-2026): Source: International Monetary Fund, [Macrotrends](#)

Historically, stainless steel production has accounted for approximately 65–70% of global nickel consumption, while the battery sector represents the fastest-growing demand segment, representing approximately 16%, followed by aerospace and superalloys (8%), electroplating (6%), and other applications (6%).⁶ Total global nickel demand increased from 2,825 kt in 2021 to 3,371 kt in 2024. Under the International Energy Agency’s (IEA) Stated Policies Scenario (STEPS), which reflects currently implemented energy and climate policies, demand is projected to rise to approximately 4,389 kt by 2030 and 5,685 kt by 2040.⁷ Clean energy applications, which primarily include EV batteries, stationary energy storage systems, renewable energy infrastructure, and hydrogen technologies increasingly driving demand for battery-grade nickel alone accounted for 226 kt in 2021, rising to 562 kt in 2024, and are forecast to expand sharply to 1,349 kt by 2030

⁵ [MacroTrends](#)

⁶ [INSC](#)

⁷ [IEA](#)

and 2,381 kt by 2040. This implies that more than half of total demand growth over the next 15 years is expected to originate from electrification-related uses, fundamentally altering nickel’s demand profile.

Stronger climate policy commitments lead to even higher demand trajectories. Under the Announced Pledges Scenario (APS), which assumes countries fulfill their stated climate commitments, nickel demand is projected to exceed roughly 4,700–5,000 kt by 2030, while the Net Zero Emissions (NZE) scenario, representing a pathway consistent with limiting global warming to 1.5°C, indicates demand could approach 5,400 kt by 2030, driven primarily by faster EV adoption and expanded battery storage deployment.⁸ Across all scenarios, EV batteries represent the dominant driver of incremental nickel consumption, while emerging applications such as renewable-energy infrastructure and hydrogen systems contribute additional demand growth, gradually diversifying nickel’s end-use profile beyond traditional stainless-steel markets. Regional demand patterns highlight China’s continued dominance in nickel consumption, approximately 55–60% of global demand, highlighting its leading role in battery manufacturing and stainless-steel production, although demand from Europe, North America, and the rest of Asia is expected to increase significantly as EV manufacturing capacity expands globally and battery supply chains diversify geographically.

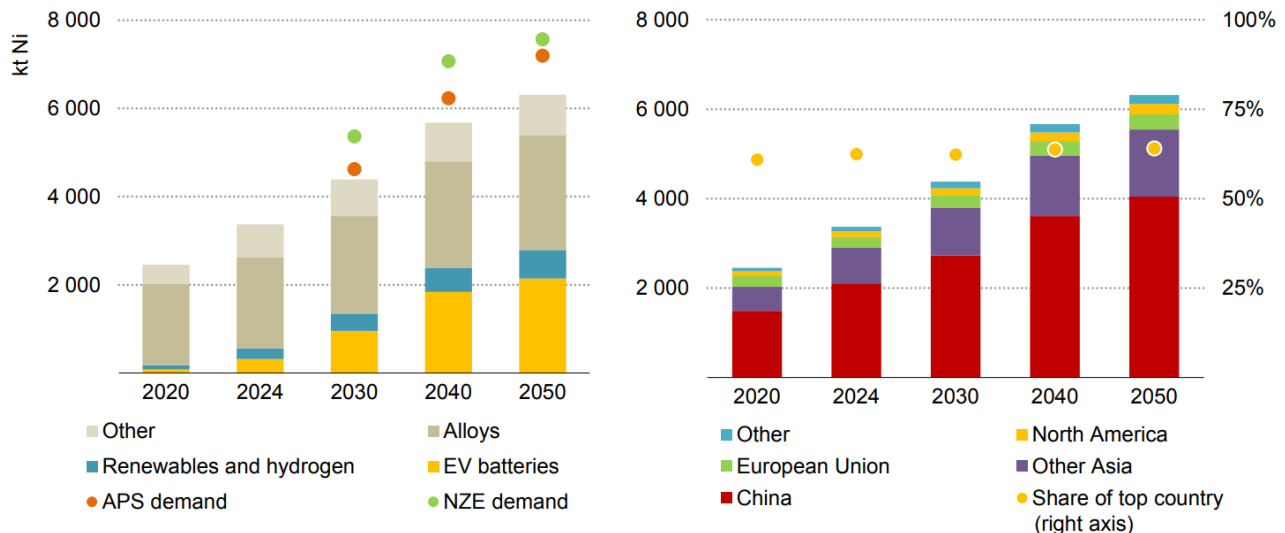


Exhibit 13: Global Nickel Demand Outlook by Sector (Left) and Region (Right) in the STEPS. Source: IEA Global Critical Minerals Outlook 2025

At the same time, supply dynamics introduce structural risk. Primary nickel supply must increase from approximately 3,484 kt in 2024 to 4,326 kt by 2030 and 5,382 kt by 2040 to meet projected demand under current policy trajectories.⁹ However, the expected mine supply from currently announced projects falls short of these requirements in the outer years, implying potential supply deficits before 2030, absent additional project development. Supply concentration has intensified, with the top three mining countries projected to account for approximately 78% of global output by 2030 and the top three refining countries representing roughly 81% of refining capacity. Indonesia alone is expected to account for approximately 67% of the global mined nickel supply and about 45% of refining capacity, while China retains substantial influence across refining and nickel sulfate production. Much of Indonesia’s recent expansion has been oriented toward nickel

⁸ IEA

⁹ IEA

pig iron and ferronickel serving stainless steel markets, with battery-grade intermediate capacity still evolving. Conversion of laterite ores into battery-grade material often requires energy-intensive processing routes, including high-pressure acid leaching (HPAL), adding capital and environmental complexity. As such, incremental sources like polymetallic nodules capable of supplying battery-grade intermediates are strategically significant as they diversify supply chains and reduce dependence on a limited number of producing regions. This concentration heightens geopolitical and supply chain vulnerability, particularly for Class-1 nickel required in battery applications.

STEPS	2021	2024	2030	2040
Cleantech demand (kt)	226	562	1,349	2,381
Other uses (kt)	2,600	2,809	3,039	3,034
Total demand (kt)	2,825	3,371	4,389	5,685
Secondary supply and reuse (kt)	25	62	63	295
Primary supply requirements (kt)	2,709	3,484	4,326	5,382
Share of top three mining countries	64%	77%	78%	84%
Share of top three refining countries	66%	78%	81%	83%

Exhibit 14: IEA Nickel Demand and Supply Outlook. Source: IEA Global Critical Minerals Outlook 2025

Electric vehicles (EVs) are central to this shift. EVs contain significantly more nickel per unit than most other applications, and rising EV penetration is expected to drive structural increases in demand for battery-grade material. Global EV sales reached approximately 17 million units in 2024, exceeding 20% of total vehicle sales, while global battery demand for EV and grid-scale storage surpassed 1 terawatt-hour in the same year.¹⁰ Battery-related nickel demand grew approximately 27% year-on-year in 2024, even as overall nickel prices declined to their lowest levels since 2020 due to rapid supply expansion.¹¹ This divergence between price performance and battery demand growth reflects cyclical oversupply conditions rather than structural demand weakness.

Within NORI-D's probable reserve of approximately 51 million wet metric tonnes (Mwmt) of polymetallic nodules, average nickel grades of around 1.40% Ni correspond to contained nickel of roughly 0.7 Mt, broadly comparable to several years of output from a typical mid-sized terrestrial nickel mine. This grade compares favorably with many operating terrestrial laterite deposits, which typically process ore in the 0.8–1.5% Ni range, placing NORI-D toward the upper end of commercially exploited nickel resources. Beyond this mineable subset, the broader NORI-D resource base totals about 356 Mwmt, containing approximately 3.79 Mt of nickel, highlighting substantial long-term expansion capacity. Putting this into a practical context, assuming conservative 50 kg of nickel per EV (consistent with high-nickel battery chemistries) and applying an indicative 90% collection efficiency and 95% metallurgical recovery, the total resource could theoretically yield sufficient nickel for on the order of approximately 65 million EVs, and the whole NORI reserve approximately 147 million EVs. While this represents a conceptual upper bound (rather than a production

¹⁰ [IEA](#)

¹¹ [Carboncredits.com](#)

forecast), it highlights the considerable scale of the deposit relative to projected global battery-metal demand.

A critical aspect of NORI-D's strategic value lies in its potential to produce Class-1 nickel, defined as nickel of at least 99.8% purity, which is suitable for battery-grade applications. Class-1 nickel is essential for high-nickel lithium-ion cathodes used in electric vehicles, including nickel-manganese-cobalt (NMC) and nickel-cobalt-aluminum (NCA) chemistries, where nickel can constitute 60–90% of the cathode metal mix to enhance energy density and driving range. In contrast, a large share of global nickel supply, particularly ferronickel and nickel pig iron produced from laterite ores, is classified as Class-2 nickel and is primarily used in stainless steel rather than batteries. Consequently, the availability of new sources capable of producing Class-1 nickel has become a key constraint for long-term electrification pathways.



Exhibit 15: Nickel Sulfate Crystals (Battery-Grade Material). Source: The Metals Company

Nickel also contributes disproportionately to project economics relative to its mass fraction. Although manganese constitutes the majority of the nodules by weight, nickel's higher market price (typically around \$18,000–\$25,000 per tonne in recent years) means that it is expected to be a primary revenue driver alongside copper. Another distinguishing feature is the absence of dilution from waste rock, as nearly the entire mass of collected nodules constitutes ore. This means that the effective delivered grade to processing facilities closely reflects in situ composition, unlike many terrestrial operations where mined material may contain significant barren rock. Consequently, NORI-D's nickel content per tonne of processed feed could translate efficiently into recoverable metal, subject to metallurgical performance.

Cobalt - A Small but Strategically Powerful Component of NORI's Nodule Resource

Cobalt represents another important strategic component of the polymetallic nodules found within the NORI project, contributing both economic value and exposure to rapidly expanding battery supply chains. Although cobalt occurs in smaller concentrations than nickel or manganese within the nodules, it plays a critical role in lithium-ion battery cathodes and high-performance alloys, making it a strategically significant metal in decarbonization and energy-transition markets. According to the IEA, global cobalt consumption is currently dominated by battery applications, with electric-vehicle batteries accounting for approximately 45% of total

demand, followed by portable device batteries (26%), superalloys used in aerospace and industrial applications (9%), hard metals (4%), catalysts (3%), pigments and ceramics (3%), and other applications (10%). These sectoral demand patterns highlight the growing dominance of battery-related consumption in cobalt markets as lithium-ion battery production and electric-vehicle manufacturing expand globally.

Global cobalt demand has expanded steadily alongside the growth of battery supply chains. Total consumption increased from roughly 160 kt in 2020 to approximately 187 kt in 2021 and about 221 kt in 2024, reflecting rising battery production and accelerating electrification. Under the IEA's STEPS, total cobalt demand is projected to reach approximately 314 kt by 2030 and around 330 kt by 2040, with longer-term projections indicating demand could approach 380–400 kt by 2050. However, stronger decarbonization pathways imply materially higher demand growth. Under the Announced Pledges Scenario (APS), cobalt consumption is projected to reach roughly 340–360 kt by 2030, while the Net Zero Emissions (NZE) scenario indicates demand could rise to approximately 370–400 kt by 2030, reflecting faster electric-vehicle adoption and more rapid deployment of battery storage systems under more ambitious climate policies. Clean-energy technologies are expected to account for a growing share of this expansion. Clean-technology demand alone rose from 37 kt in 2021 to about 71 kt in 2024 and is projected to expand to roughly 148 kt by 2030. Electric-vehicle batteries represent the fastest-growing component of cobalt consumption and are expected to drive the majority of incremental demand over the coming decade. Cobalt remains an important stabilizing component in high-energy-density cathode chemistries such as nickel-manganese-cobalt (NMC) and nickel-cobalt-aluminum (NCA) batteries, which are widely used in long-range electric vehicles due to their high energy density and thermal stability. While alternative chemistries such as lithium-iron-phosphate (LFP) have gained share in certain segments, cobalt-containing cathodes remain important for performance-oriented battery applications.

STEPS	2021	2024	2030	2040
Cleantech demand (kt)	37	71	148	136
Other uses (kt)	150	150	166	194
Total demand (kt)	187	221	314	330
Secondary supply and reuse (kt)	15	26	39	82
Primary supply requirements (kt)	182	250	276	247
Share of top three mining countries	76%	81%	83%	82%
Share of top three refining countries	82%	89%	87%	86%

Exhibit 16: IEA Cobalt Demand and Supply Outlook. Source: IEA Global Critical Minerals Outlook 2025

Regional demand patterns further highlight the central role of China within the global cobalt supply chain. China currently represents the largest consumer of refined cobalt and is expected to maintain this position due to its dominant role in battery manufacturing and cathode material production. At the same time, demand from Europe, North America, and the rest of Asia is projected to expand steadily as electric-vehicle production capacity increases outside China, gradually diversifying global consumption.

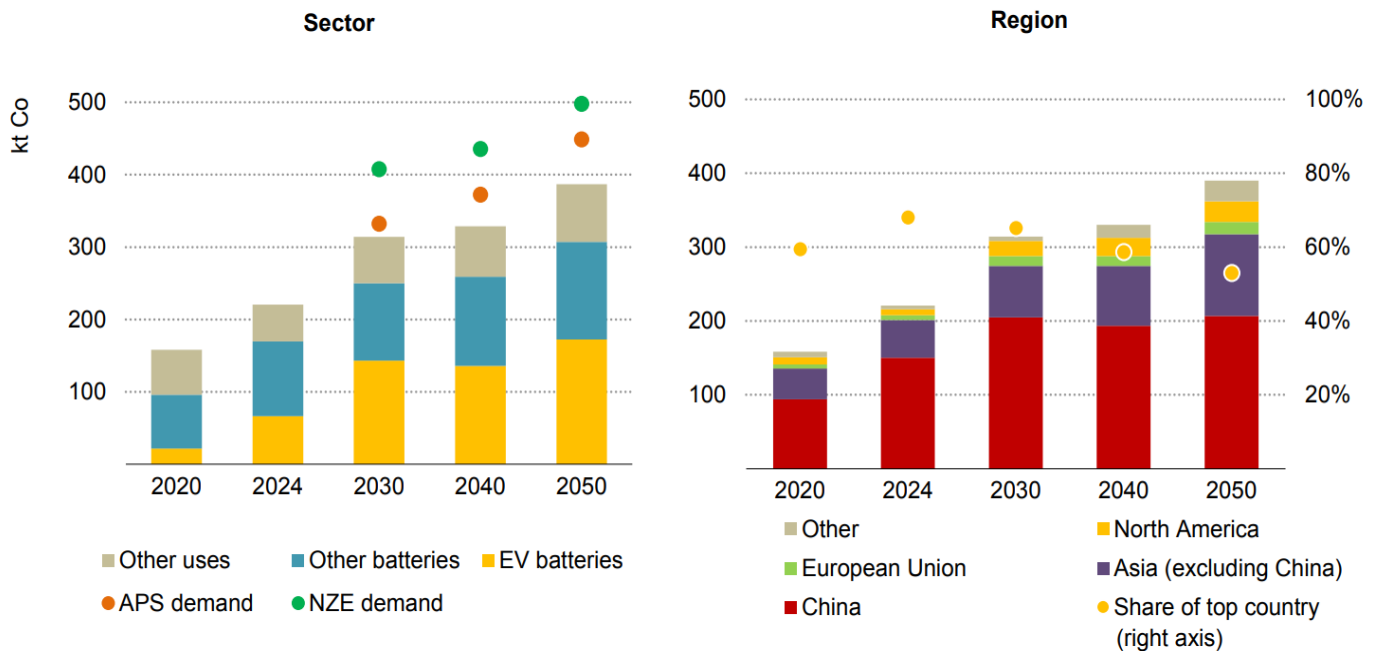


Exhibit 17: Global Cobalt Demand Outlook by Sector and Region in the STEPS. Source: IEA Global Critical Minerals Outlook 2025

Despite this geographic diversification of demand, supply dynamics in the cobalt market remain highly concentrated and structurally distinct from many other metals because cobalt is produced predominantly as a by-product of copper and nickel mining operations rather than as a primary commodity. As a result, cobalt supply growth often depends on investment decisions in copper and nickel projects rather than cobalt prices alone. The Democratic Republic of Congo (DRC) dominates global cobalt mining and is projected to account for approximately 62% of global production by 2030, followed by Indonesia (around 18%) and Russia (approximately 3%). Indonesia’s role in the cobalt market has expanded rapidly in recent years as large nickel laterite processing projects generate cobalt as a by-product, reshaping the global supply landscape. Refining capacity is even more geographically concentrated, with China controlling roughly 77% of global cobalt refining, while Indonesia and Finland account for about 3% and 6%, respectively. Overall, the top three mining countries are expected to account for approximately 81–83% of global production, while the top three refining countries control nearly 89% of refining capacity, highlighting the significant geopolitical concentration embedded within cobalt supply chains.

The cobalt supply chain illustrates the metal’s dependence on by-product production from copper and nickel mining and the central role of chemical refining in producing cobalt sulphate for battery cathodes. A substantial portion of refined cobalt ultimately flows into electric vehicles and portable electronics, highlighting the growing influence of battery supply chains on global cobalt demand.

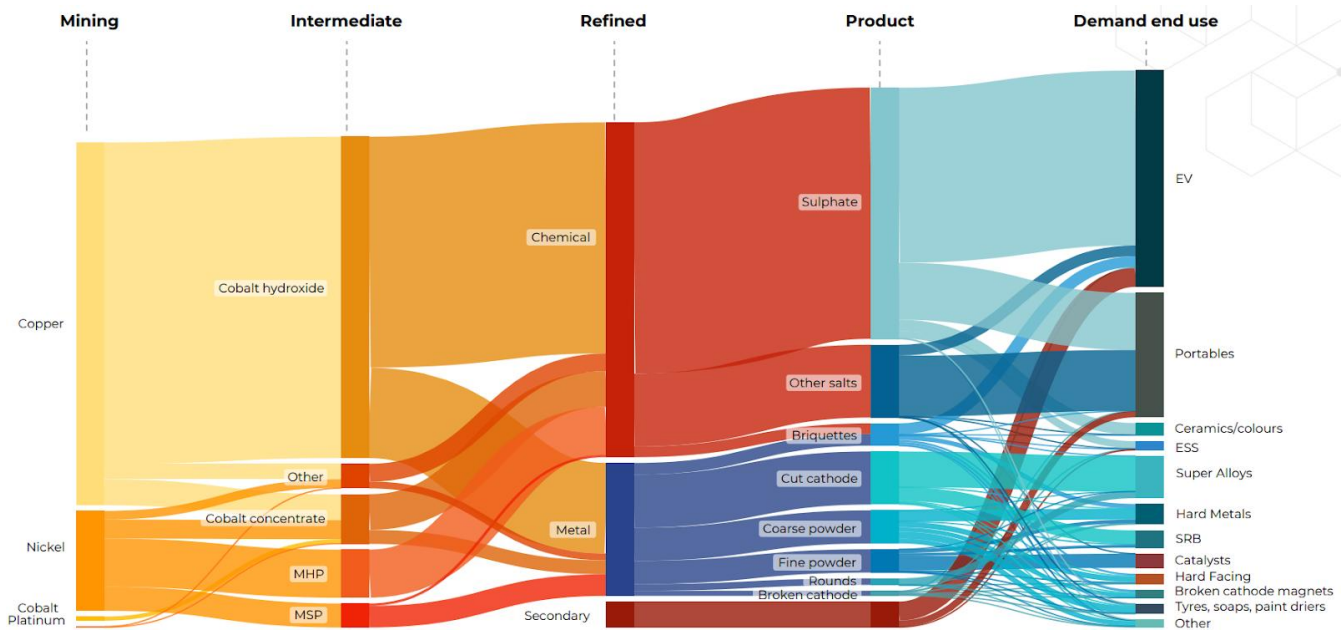


Exhibit 18: Global Cobalt Value Chain from Mining to End-Use Applications. Source: [Benchmark Mineral Intelligence, Cobalt Congress 2024](#)

Primary cobalt supply requirements are estimated to increase from approximately 250 kt in 2024 to about 276 kt by 2030, before moderating slightly toward 247 kt by 2040 as recycling and secondary supply begin to play a larger role in the market. The IEA expects recycled cobalt from end-of-life batteries and manufacturing scrap to account for an increasing share of supply in the 2030s, partially offsetting the need for new mine production. Nevertheless, expected production from currently announced mining projects may fall short of long-term requirements, suggesting potential supply tightness if additional projects are not developed. This imbalance between geographically concentrated supply and globally distributed demand highlights ongoing supply-chain vulnerability and emphasize the strategic importance of developing alternative sources of cobalt outside the traditional DRC–China supply chain.

Within polymetallic nodule systems such as the NORI deposit, cobalt occurs alongside nickel, copper, and manganese, providing an additional revenue stream while diversifying metal exposure. Although cobalt typically represents a smaller share of total metal value compared with nickel and copper, its strategic importance within battery supply chains enhances the overall economic profile of the resource. As electrification continues to drive demand for high-performance battery materials, cobalt recovered from polymetallic nodules could contribute to diversifying supply sources and reducing dependence on geographically concentrated terrestrial production while supporting the expansion of global EV and energy-transition supply chains.

Copper Strengthens NORI-D's Position within Electrification and Infrastructure Supply Chains

Copper represents a significant component of the polymetallic nodules contained within the NORI-D deposit and contributes meaningfully to the multi-metal economic profile of the project. Although nickel and cobalt receive considerable attention due to their role in battery chemistries, copper remains one of the most indispensable industrial metals globally, owing to its superior electrical conductivity, durability, and versatility across infrastructure, manufacturing, and electrification technologies. NORI-D polymetallic nodule system's probable reserve contains copper at an average grade of approximately 1.10% Cu, equivalent to about 0.6 Mt of contained copper, while the broader 356 Mwmt resource base hosts approximately 4.2 Mt of copper, indicating potential for long-term production expansion.

Globally, copper demand is closely tied to industrial activity and infrastructure development, but electrification and energy transition technologies are increasingly becoming the primary drivers of incremental consumption. According to the IEA, global copper demand increased from approximately 24,946 kt in 2021 to about 26,717 kt in 2024, reflecting expanding electricity infrastructure, renewable energy deployment, and continued industrial growth. Under the IEA's STEPS, global copper demand is projected to reach approximately 31,348 kt by 2030 and 34,137 kt by 2040, with clean-energy technologies representing an increasingly significant share of consumption. Clean-energy related demand alone increased from 6,002 kt in 2021 to approximately 7,737 kt in 2024, and is projected to expand further to around 10,910 kt by 2030 and 12,162 kt by 2040.

STEPS	2021	2024	2030	2040
Cleantech demand (kt)	6,002	7,737	10,910	12,162
Other uses (kt)	18,944	18,980	20,438	21,975
Total demand (kt)	24,946	26,717	31,348	34,137
Secondary supply and reuse (kt)	4,123	4,441	5,431	8,702
Primary supply requirements (kt)	20,851	22,503	25,917	25,428
Share of top three mining countries	46%	48%	50%	53%
Share of top three refining countries	57%	59%	60%	60%

Exhibit 19: IEA Copper Demand and Supply Outlook. Source: IEA Global Critical Minerals Outlook 2025

Sectoral demand patterns illustrate copper's central role in energy-transition technologies. Electricity networks, renewable energy systems, and electric vehicles are among the fastest-growing applications due to copper's conductivity and reliability in power transmission and electrical systems. Grid infrastructure accounts for a particularly large share of incremental demand as electricity systems expand to accommodate renewable energy and electrified transport. Renewable energy installations such as solar photovoltaic and wind power require substantially greater copper intensity per unit of capacity compared with conventional generation technologies, while electric vehicles typically require two to four times more copper than internal combustion engine vehicles, indicating their use in motors, wiring harnesses, batteries, and charging infrastructure. As a result, electrification-driven sectors are expected to account for a growing share of total copper consumption over the coming decades.

The IEA also models stronger demand trajectories under alternative policy scenarios. Under the APS, which assumes governments fully implement their climate commitments, copper demand is projected to rise more rapidly than under STEPS as electrification accelerates, reaching approximately 32 Mt by 2030, around 37 Mt by 2040, and roughly 39–40 Mt by 2050. Under the NZE pathway, demand increases even more significantly as global energy systems transition toward low-carbon electricity, large-scale battery deployment, and electrified transport networks, with total copper demand projected to reach approximately 35 Mt by 2030, around 39–40 Mt by 2040, and about 41–42 Mt by 2050.

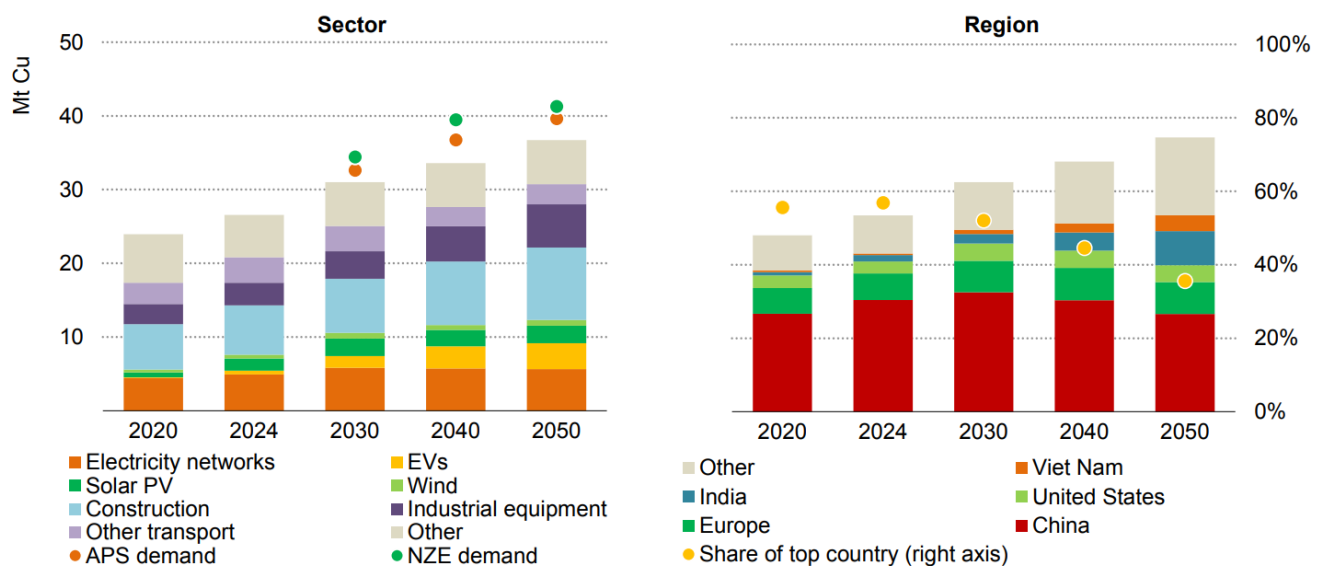


Exhibit 20: Global Copper Demand Outlook by Sector and Region in the STEPS. Source: IEA Global Critical Minerals Outlook 2025

Regional demand trends indicate that China again remains the largest consumer of copper globally, reflecting its dominant role in construction, manufacturing, and renewable energy deployment. The IEA projections suggest that China will continue to account for a substantial share of global copper demand through the coming decades, although demand growth is expected to broaden geographically as electrification accelerates across other major economies. The United States, Europe, India, and Southeast Asia (including Vietnam) are expected to experience rising copper consumption as investments in renewable power, electric vehicles, and grid modernization increase.

Despite strong demand growth, copper supply faces several structural challenges. According to IEA projections, primary copper supply requirements are expected to increase from approximately 22,503 kt in 2024 to around 25,917 kt by 2030, before moderating slightly to roughly 25,428 kt by 2040 as recycling and secondary supply expand. However, mine supply from currently announced projects may fall short of these requirements in the coming years, suggesting potential supply deficits unless additional projects are developed. This reflects declining ore grades, long development timelines for new mines, permitting challenges, and rising capital costs associated with large-scale copper projects.

Copper supply is also geographically concentrated. The top three producing countries, Chile, the DRC, and Peru, are projected to account for a significant portion of global mine output by 2030, with approximate shares of 24%, 16%, and 11%, respectively. Refining capacity is similarly concentrated, with China controlling

approximately 47% of global copper refining, followed by smaller shares from Chile (around 6%) and the DRC (approximately 7%). The concentration of both mining and refining capacity creates supply-chain vulnerabilities for downstream manufacturing sectors dependent on a stable copper supply.

Copper prices have shown a generally upward trajectory over the past decade, albeit with cyclical volatility. Prices were relatively low in 2016, trading near \$2.0–\$2.2 per pound, before rising to around \$3.0–\$3.2/lb in 2017–2018 amid stronger global manufacturing and Chinese infrastructure demand. They softened during 2018–2019 to roughly \$2.5–\$2.8/lb due to global trade tensions. A sharp decline followed in early 2020, when prices briefly fell to about \$2.1/lb during the onset of the COVID-19 pandemic. However, prices rebounded strongly thereafter, surpassing \$4.5/lb in 2021 as supply constraints and rising electrification demand tightened the market. Although volatility persisted through 2022–2023, with prices temporarily correcting to around \$3.3–\$3.5/lb, the broader trend remained upward. By 2024–2026, copper prices strengthened again, approaching \$5/lb, demonstrating tightening supply expectations and sustained demand from renewable energy, electricity networks, and electric vehicle production.



Exhibit 21: Copper Prices in USD per pound (2016-2026): Source: COMEX, [Macrotrends](#)

Within polymetallic nodule systems such as the NORI deposit, copper occurs alongside nickel, cobalt, and manganese within a single ore body, providing a diversified revenue stream across multiple commodity markets. While copper represents a smaller mass fraction compared with manganese within nodules, its relatively high market value and central role in electrification technologies contribute significantly to project economics.

As energy systems transition toward renewable power generation, electrified transport, and large-scale battery storage, copper is expected to remain a cornerstone metal within the global energy transition, emphasizing the long-term relevance of multi-metal resources such as NORI-D within future critical mineral supply chains.

Manganese as the Dominant Metal in NORI Nodules and a Growing Battery Resource

Manganese constitutes the largest mass component of polymetallic nodules within the NORI-D deposit and therefore represents a significant element of the project’s overall metal inventory. Within its probable reserve, manganese grades average approximately 31% Mn, corresponding to roughly 15.8 Mt of contained manganese. Across the broader 356 Mwmt NORI-D resource base, manganese content totals approximately 113 Mt, with grades generally ranging between 31.0–31.9% Mn across measured and indicated resources. Although manganese typically contributes less economic value per tonne than nickel or copper, its substantial tonnage and increasing role in battery technologies enhance its strategic relevance within energy-transition supply chains.

Historically, manganese demand has been dominated by the steel industry, where it is used as a key alloying element to improve strength and durability. However, demand from energy technologies, particularly lithium-ion batteries, is expanding rapidly, driven by the growth of electric vehicles (EVs) and manganese-rich cathode chemistries. Manganese is widely used in nickel-manganese-cobalt (NMC) cathodes and emerging battery chemistries such as lithium iron manganese phosphate (LMFP) and lithium nickel manganese oxide (LNMO), reflecting efforts to reduce dependence on cobalt while maintaining battery performance.

According to the International Energy Agency (IEA), manganese demand from energy technologies is expected to increase significantly across policy scenarios. Under the Stated Policies Scenario (STEPS), demand rises to approximately 600 kt by 2030, around 2,000 kt by 2040, and roughly 3,400 kt by 2050. Under the Announced Pledges Scenario (APS), demand reaches about 700 kt by 2030, 2,400 kt by 2040, and 4,600 kt by 2050, while the more ambitious Net Zero Emissions (NZE) pathway projects demand of roughly 900 kt by 2030, 3,200 kt by 2040, and approximately 5,400 kt by 2050. Consequently, the share of manganese demand attributable to energy technologies is projected to rise from around 1% today to roughly 5–7% by 2030, 10–15% by 2040, and over 15% by 2050 under STEPS, approaching approximately 25% under APS.

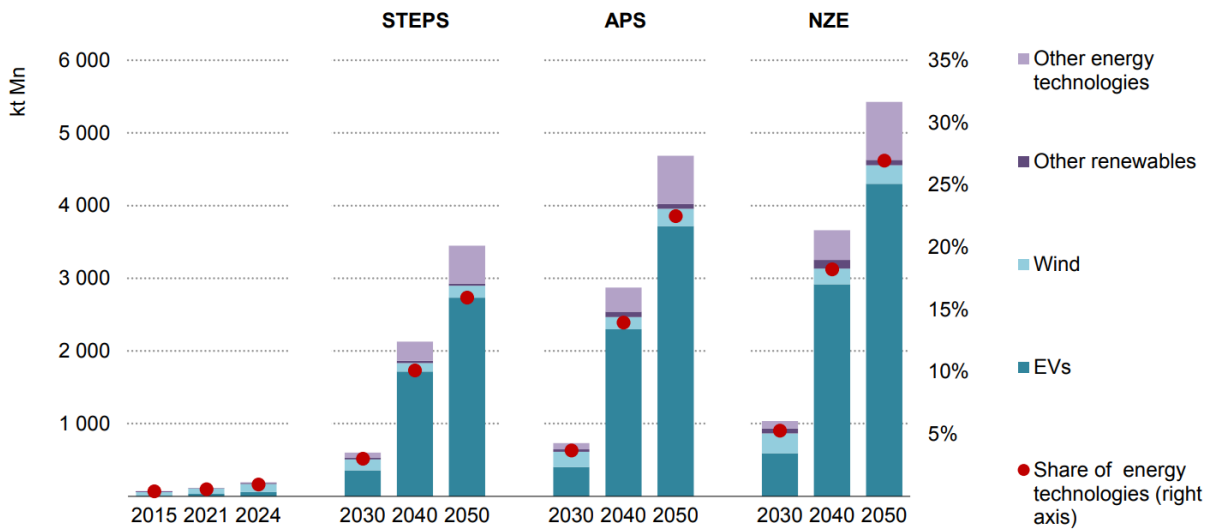


Exhibit 22: Manganese Demand from Energy Technologies by Scenarios. Source: IEA, Global Critical Minerals Outlook 2025

Battery applications require high-purity manganese sulphate monohydrate (HPMSM) rather than conventional metallurgical manganese. Global production of battery-grade manganese sulphate reached approximately 90 kt in 2024, with China accounting for roughly 95% of global refining capacity, while Belgium and Japan together represent about 5%. Manganese mining itself is relatively well supplied and more geographically diversified than several other battery metals. The top three producing countries accounted for roughly three-quarters of global mined supply in 2024, led by South Africa (approximately 40%), Gabon (approximately 25%), and Australia (approximately 15%). Higher-grade oxide ores, primarily located in Gabon, South Africa, Brazil, and Australia, are particularly attractive for battery-grade processing due to lower impurity levels and accounted for roughly 25% of global manganese production in 2024.

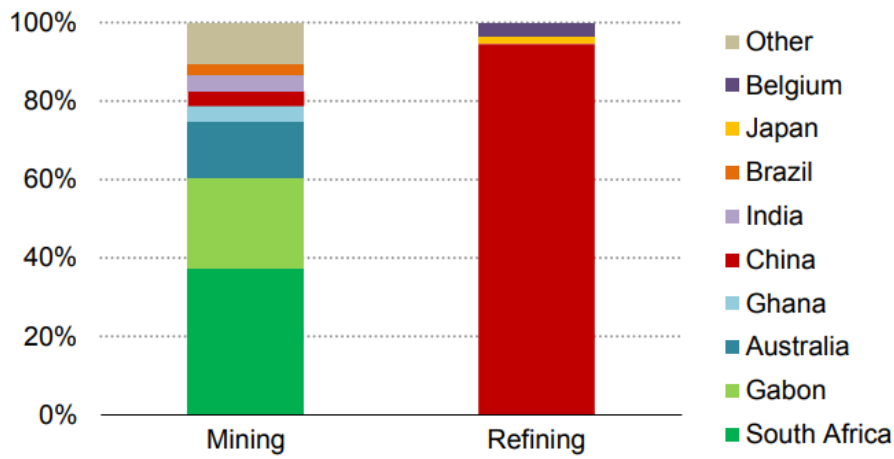


Exhibit 23: Geographic Distribution of Global Manganese Mining and Refining. Source: IEA, Global Critical Minerals Outlook 2025

Rapid demand growth for battery-grade manganese sulphate has prompted significant investment in refining capacity. Nearly 50 brownfield and greenfield manganese sulphate projects have been announced globally, predominantly in China.¹² Outside China, additional refining capacity is being developed, including projects targeting approximately 15 kt of manganese sulphate production later this decade. Despite these developments, analysts anticipate potential supply deficits in battery-grade manganese sulphate by the early 2030s if EV deployment and manganese-rich cathode chemistries expand as projected.

Battery applications rely on high-purity manganese sulphate (HPMSM) rather than conventional manganese products, with China controlling about 95% of global refining capacity

Within the NORI polymetallic nodule system, manganese occurs alongside nickel, copper, and cobalt, providing substantial metal tonnage within a single resource. While manganese prices are typically lower than those of other battery metals, the large manganese inventory within the NORI-D deposit, combined with the rapidly growing demand for battery-grade manganese sulphate, supports the strategic relevance of polymetallic nodules as a potential long-term source of critical minerals for electrification and battery supply chains.

¹² IEA

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.¹³ 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.

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.^{14 15} Additional

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

¹³ [USGS.gov](https://www.usgs.gov)

¹⁴ [McKinsey](https://www.mckinsey.com)

¹⁵ [Nature.com](https://www.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.^{16 17} 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

The Metals Royalty Company’s core asset is a 2.0% gross overriding royalty (GORR) on the NORI polymetallic nodule project located in the Clariton-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 primary 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 km² 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 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

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

¹⁶ [Whitehouse.gov](https://www.whitehouse.gov)

¹⁷ [Whitehouse.gov](https://www.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. In addition, following cumulative production of 170Mt, estimated around 2047, the royalty is scheduled to step down to 0.25% on production up to 8.5Mtpa and 0.0625% on production above 8.5Mtpa. TMCR has also secured a 45-day option to acquire an additional 1.0% royalty interest following the closing of the initial transaction.

To fund the acquisition, TMCR has secured commitments for a US\$80 million PIPE financing priced at US\$13.00/share, including US\$15 million of participation from founders and insiders, alongside a proposed senior secured acquisition credit facility of up to US\$50 million. The contemplated debt facility carries a 36-month maturity and an initial interest rate of 9.0% per annum with step-ups over time. The transaction is expected to close before May 31, 2026, subject to customary conditions.

The acquisition 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. Mesabi Metallics is targeting commissioning in H2 2026, with ramp-up to full production expected in 2027, implying potential initial annual royalty cash flow of approximately US\$13 million, with further upside linked to commodity prices and throughput expansion. The transaction also broadens TMCR's commodity exposure beyond precious and 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

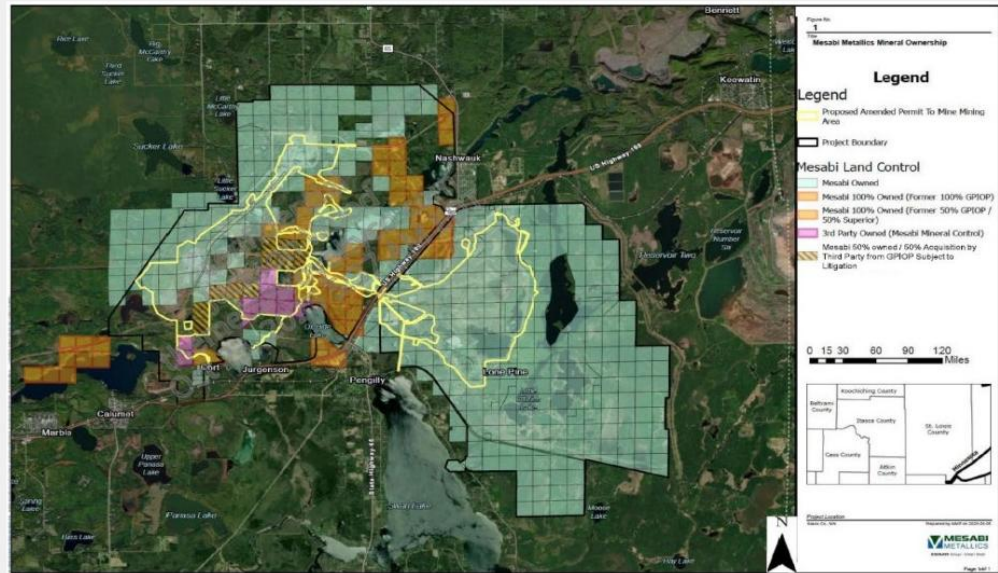


Exhibit 24: Mesabi Project Royalty Area of Interest. Source: TMCR Investor Webinar

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 in recent periods, with Mesabi Metallics now positioned as a fully financed development project, supporting continued construction and reducing near-term 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 25: 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	21.1%	31.7%
Resources (Exclusive)			
Indicated	214	20.5%	31.9%
Inferred	30	18.9%	31.8%

Exhibit 26: Mesabi Metallics Reserves and Resource Estimates. Source: TMCR Investor Webinar

The Company is developing a large-scale iron ore operation with a planned annual production capacity of approximately 7Mtpa of DR-grade iron ore pellets, 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 1.3Bt, 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 27: 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 currently estimated to be approximately 93% complete. The project is targeting commissioning in H2 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.

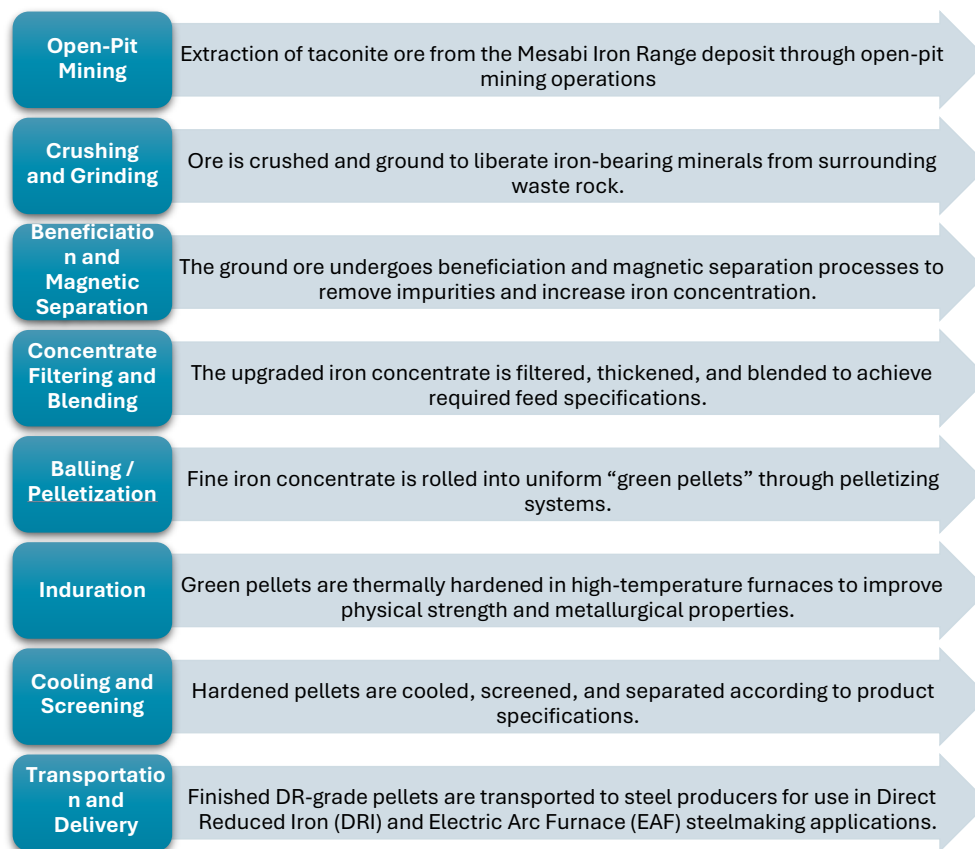


Exhibit 28: Mesabi Metallics DR-Grade Pellet Production Process. Source: Company Website, Diamond Equity Research

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.

Structural Shift Toward EAF and Low-Emission Steelmaking Supports Long-Term Demand Growth for Premium DR-Grade Iron Ore Pellets

Global steel markets are undergoing a structural transition toward lower-emission production methods, with Electric Arc Furnace (EAF) steelmaking continuing to gain market share relative to traditional blast furnace-basic oxygen furnace (BF-BOF) routes. According to the World Steel Association, EAF-based production currently accounts for approximately 30% of global crude steel output, while penetration in the United States

exceeds 70%, reflecting the country's increasing reliance on scrap-based and Direct Reduced Iron (DRI)-supported steelmaking processes. This transition is expected to remain a key long-term demand driver for premium Direct Reduction (DR)-grade iron ore pellets, which are required as critical feedstock for DRI production due to their higher iron content and lower impurity profile.



Exhibit 29: Electric Arc Furnace (EAF) Steelmaking Operations. Source: [steel.org](https://www.steel.org)

The growing adoption of DRI-EAF steelmaking is also being supported by global decarbonization initiatives across the steel sector. Traditional BF-BOF steelmaking remains among the most carbon-intensive industrial processes globally, while EAF-based steel production can significantly reduce emissions intensity, particularly when combined with natural gas-based or hydrogen-based DRI feedstock. As a result, steel producers are increasingly prioritizing access to higher-quality iron ore products capable of improving furnace efficiency, lowering slag volumes, and supporting lower-emission steel production pathways.

Within the evolving steelmaking landscape, the supply of merchant DR-grade iron ore pellets remains relatively constrained globally. Merchant supply of DR-grade pellets remains concentrated within a limited number of producing regions globally, while expanding DRI and EAF steelmaking capacity is expected to continue tightening availability of high-grade pellet feedstock. DR-grade pellets represent only a limited portion of the total seaborne iron ore supply due to the higher-grade concentrate requirements and more complex beneficiation processes needed for production. This supply tightness has historically supported premium pricing for DR-grade pellets relative to conventional blast furnace-grade products. Industry forecasts also suggest that DR-grade pellet premiums could widen further over the medium term as EAF-DRI steelmaking capacity expands globally, with some market estimates projecting premiums increasing from approximately US\$30/t in 2025 to US\$45–55/t by 2030.

Mesabi Metallics' anticipated pellet specifications, including expected impurity levels of approximately 1.8% SiO₂ and 0.1% Al₂O₃, position the project within the higher-quality segment of the iron ore market and align with increasing demand for premium DRI feedstock applications. Industry forecasts also indicate stronger long-term growth for DR-grade pellets relative to conventional blast furnace-grade products, supported by accelerating DRI-EAF steelmaking adoption and tightening decarbonization requirements across the global

steel industry. The global iron ore pellets market is projected to grow from approximately US\$66.2 billion in 2026 and is forecast to reach US\$83.8 billion by 2031 at a CAGR of approximately 5% over 2026-2031, while the DR-grade pellet segment is expected to expand at a faster rate of approximately 5.3% annually over the same period.

The North American market is expected to remain particularly supportive for domestic DR-grade pellet producers. The United States has one of the highest EAF penetration rates globally and continues to expand DRI-linked steelmaking capacity, while the domestic supply of merchant DR-grade pellets remains limited. In this context, Mesabi Metallics could emerge as a strategically important domestic supplier of DR-grade pellets capable of reducing U.S. dependence on imported high-grade iron ore feedstock. This trend is further supported by recent industry investments, including United States Steel Corporation's [announcement](#) of a US\$1.9 billion DRI facility at Big River Steel Works in Arkansas, highlighting continued buildout of domestic DRI infrastructure and broader onshoring efforts across the U.S. steel industry.

Life-of-Mine Revenue Potential Across NORI and Mesabi Provides a Immediate and Long-Duration Royalty Cash Flow Platform

The Metals Royalty Company's investment case is anchored by a combination of a large-scale royalty exposure from the NORI polymetallic nodule project and newly added near-term cash flow visibility from the Mesabi Metallics iron ore project. The company's existing portfolio is led by a 2.0% gross overriding royalty on production from the NORI contract area, operated by The Metals Company through Nauru Ocean Resources Inc. NORI provides exposure to a large-scale polymetallic nodule resource containing nickel, copper, cobalt, and manganese. At the same time, Mesabi provides exposure to a late-stage, near-production U.S. iron ore asset designed to produce high-quality direct-reduction-grade pellets. Together, the two royalties broaden TMCR's revenue base across battery metals, manganese, and green steel-linked iron ore, while preserving the capital-light economics of a royalty model.

Based on the NORI-D PFS estimate of \$69.9 billion in LOM project revenue, TMCR's 2.0% gross overriding royalty implies potential LOM royalty revenue of approximately \$1.4 billion, or roughly \$70-\$75 million annually over the 19-year PFS mine life. The newly acquired Mesabi royalty adds a near-term cash flow layer, with TMCR acquiring an effective 1.0% index-priced gross overriding production royalty, supported by a \$150/t revenue floor and linked to the Platts Direct Reduction Pellet 67.5% Fe FOB Brazil price. At the floor price, the Mesabi royalty implies an initial annual royalty cash flow potential of approximately \$12.75 million, broadly consistent with management's \$13 million+ disclosure. The royalty steps down after cumulative production reaches 170 Mt, estimated around 2047, to 0.25% up to 8.5 Mtpa and 0.0625% above 8.5 Mtpa. Together, NORI-D and Mesabi imply a combined potential LOM royalty revenue of approximately \$1.67 billion, representing an illustrative blended average annual royalty revenue opportunity of around \$80-85 million, although actual annual cash flows will vary based on different production start dates, ramp-up schedules, mine lives, commodity pricing, and Mesabi's step-down structure.

Royalty Model Delivers Revenue Participation Without Operational Exposure: The Metals Royalty Company operates under a royalty-based structure in which its revenue is directly linked to the gross metal sales generated by the underlying mineral assets, while remaining independent of the project's development, operations, and capital requirements. Through its 2.0% gross overriding royalty on NORI and newly acquired 1.0% index-priced production royalty on Mesabi, the company participates in project-level revenue from both

polymetallic nodules and DR-grade iron ore pellets without directly bearing mine-level cost inflation, sustaining capex, or operating cost overruns. As a result, TMCR’s revenue outlook is primarily driven by production volumes, realized commodity prices, ramp-up timelines, and asset-specific royalty terms, while the royalty model supports minimal cost of sales and structurally high margins once commercial production begins.

Our annual royalty revenue estimates are derived from the projected revenue of the underlying assets, using project-specific production and pricing assumptions. For NORI-D, we rely on the 164 Mt estimate of recoverable nodules expected to be collected and processed over the life of the project, as this figure reflects the production volume incorporated into the PFS mine plan and forms the basis for estimating metal output and project revenue. While NORI-D contains approximately 363 Mt of measured and indicated resources, including 51 Mt of probable reserves, revenue generation is ultimately driven by the recoverable nodule volume processed during operations. For Mesabi, we estimate royalty revenue based on the 515 MLT probable reserve estimate and reserve-to-pellet conversion framework, as the project’s saleable product is DR-grade iron ore pellets, not raw taconite ore.

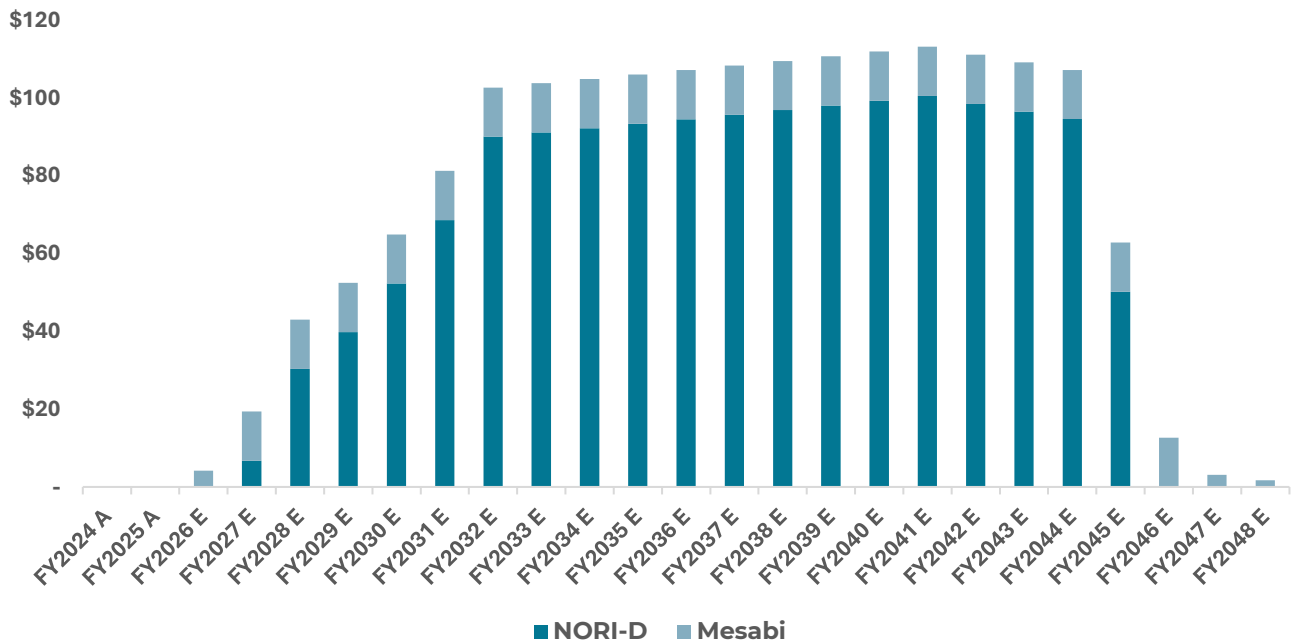


Exhibit 30: Royalty Revenue Forecast. (in \$mm). Source: Diamond Equity Research

Accordingly, our forecast is built from asset-specific operating and pricing assumptions, including recoverable production volumes, reserve or resource conversion grades, recoveries, payable content, benchmark pricing, mine life, ramp-up timing, and applicable royalty rates. The following table summarizes the key assumptions used for NORI and Mesabi, along with the rationale for each input and its relevance to TMCR’s projected royalty revenue.

NORI-D LOM Royalty Revenue Estimation

Estimated Recoverable Resources	164 Mt
---------------------------------	--------

Wet to Dry Conversion		72.0%
Life of Mine (LOM)		19 Years
Commercialization Year		2027
Nickel (Ni)		
KPIs	Assumptions	Reasoning
% Grade	1.40%	Our 1.40% nickel grade assumption is directly supported by the NORI-D PFS report, which indicates a similar grade across the resource and reserve estimates for the project. This forms the base-case assumption for forecasting contained nickel production.
Recovery rate	96.0%	Our 96.0% recovery assumption is broadly consistent with the metallurgical recovery ranges presented in the NORI-D PFS, which indicate nickel recoveries in the mid-90% range depending on the final product stream. We therefore view 96% as a reasonable base-case recovery assumption for modeling payable nickel output.
Price (\$/t)	\$19,500	Our \$19,500/t nickel price assumption reflects a balanced consideration of both the PFS long-term nickel price assumption and the prevailing market prices. A 1.5% growth has been applied through the LOM to reflect modest long-term price escalation, supported by inflationary cost pass through and strong structural demand from battery-related applications.
Payability	92.0%	Our 92.0% payability assumption reflects a blended realization factor based on the PFS product mix assumptions.
LOM Revenue	\$34.04 billion	Based on the assumptions outlined above, we estimate life-of-mine (LOM) nickel revenue of approximately \$34.04 billion.
Copper (Cu)		
KPIs	Assumptions	Reasoning
% Grade	1.10%	The copper grade reflects the average copper concentration contained within the polymetallic nodules from the CCZ as reported in the project's PFS resource model. Copper grades in deep-sea polymetallic nodules typically range between 1.0%-1.2%, consistent with geological sampling programs conducted across the NORI contract areas and comparable CCZ deposits.
Recovery rate	90.0%	A recovery rate of 90% reflects the expected processing efficiency from metallurgical test work referenced in the PFS.
Price (\$/t)	\$11,500	The price assumption reflects a long-term copper price outlook supported by strong demand from electrification, renewable energy infrastructure, and electric vehicles. The assumptions also take into account the prevailing pricing environment and align broadly with the pricing estimates used in the PFS. A similar 1.5% annual growth rate has been applied through the LOM to reflect steady long-term price growth, supported by longer mine development timelines, constrained new supply growth and copper's role as a key input in energy-transition infrastructure.
Payability	92.0%	A payability factor of 92% reflects the portion of contained copper ultimately paid by refiners after treatment and refining charges.
LOM Revenue	\$14.78 billion	Based on the above-stated assumption outline, we estimate LOM copper revenue at \$14.78 billion.

Cobalt (Co)		
KPIs	Assumptions	Reasoning
% Grade	0.13%	Based on the PFS, we assume an average cobalt grade of 0.13%, reflecting the estimated cobalt content within the polymetallic nodules across the NORI contract areas.
Recovery rate	80.0%	The recovery rate is in line with the metallurgical recovery assumptions reported in the PFS and reflects the expected processing efficiency of polymetallic nodules.
Price (\$/t)	\$56,000	The long-term cobalt price assumption reflects demand from the lithium-ion battery market, particularly electric vehicles and energy storage systems, while also considering the current pricing environment and the price estimates used in the PFS.
Payability	95.0%	The payability assumption reflects the refining deductions typically applied when cobalt is recovered as a secondary metal within polymetallic concentrates. The assumption is in line with the estimates used in the PFS report.
LOM Revenue	\$6.53 billion	Based on the above-stated assumption outline, we estimate LOM cobalt revenue at \$6.53 billion.
Manganese (Mn)		
KPIs	Assumptions	Reasoning
% Grade	31.0%	Based on the PFS report, we assume an average manganese grade of 31.0%, reflecting the estimated manganese content within the polymetallic nodules across the NORI project area.
Recovery rate	99.0%	The recovery rate is in line with the metallurgical recovery assumptions outlined in the PFS report.
Price (\$/t)	\$525	The long-term manganese price assumption reflects its broad use in steel production and growing relevance in certain battery chemistries, while also taking into account the prevailing pricing environment and the pricing assumptions used in the PFS.
Payability	-	Since the PFS does not provide a separate manganese payability factor and values manganese based on the realized price of manganese silicate, we assume 100% payability in our revenue model, effectively treating the manganese price as a realized product price consistent with the PFS methodology.
LOM Revenue	\$19.03 billion	Based on these stated assumptions, we derive LOM manganese revenue at \$19.03 billion.
NORI-D Life of Mine (LOM) Revenue		\$74.50 billion
GORR		2.0%
LOM Royalty Revenue		\$1.49 billion
Mesabi Metallics LOM Royalty Revenue Estimation		
Probable Reserves		515.0 MLT
First Production Year		2026
Life of Mine		23 Years
DR-Grade Pellet		

KPIs	Assumptions	Reasoning
Probable reserves	523.2 Mt	The project discloses 515 MLT of probable taconite reserves. We have converted long tons into metric tons, arriving at approximately 523.2 Mt of probable reserves
% Grade	31.70%	This represents the project's disclosed total iron grade for probable reserves.
Contained Iron	165.87 Mt	Contained iron is calculated by multiplying converted probable reserves by total iron grade.
Recovery rate	75.0%	The complete technical report is not publicly available, so recovery must be assumed. A 75% Fe recovery is used as a base-case estimate to account for processing losses during beneficiation, concentration, and pelletization.
Pellet-Fe Grade	67.50%	The royalty is indexed to the Platts Direct Reduction Pellet 67.5% Fe FOB Brazil price, so using 67.5% Fe as the final pellet grade aligns the production estimate with the pricing benchmark used in the royalty structure.
Estimated DR-Grade Pellets	184.30 Mt	Saleable pellet tonnage is calculated by converting recovered iron into final pellet mass: 165.87 Mt Fe x 75% recovery / 67.5% pellet Fe grade = ~184.3 Mt of DR-grade pellets.
Pricing	Greater of \$150/t or Platts DR Pellet 67.5% Fe FOB Brazil	We approximate the Platts DR Pellet 67.5% Fe FOB Brazil reference using three inputs: a 65% Fe fines FOB Brazil netback of approximately \$95/t, a \$4–6/t Fe-content adjustment to normalize to 67.5% Fe, and the latest publicly reported DR-grade pellet premium of approximately \$38/t. In our model, we use the greater of the \$150/t embedded floor and the derived DR pellet price i.e. \$138/t. This approach remains conservative particularly given the historical volatility in the DR pellet premiums, which have declined from approximately \$95/t to \$38/t in the past three years due to weak steel margins and subdued demand. While the long-term fundamentals remain supported by tightening high-grade pellet supply, rising DR-grade demand, and steel decarbonization trends, we have not assumed a meaningful premium recovery in our base case.
LOM Revenue		\$27.64 billion
GORR		1.0%
LOM Royalty Revenue		\$261.80 million

Exhibit 31: Metal Grades, Metal Production, Pricing Assumptions, LOM Revenue Estimates. Source: Company Filings, Diamond Equity Research

The revenue estimates presented above are derived using the key operating assumptions outlined in the relevant project disclosures, supplemented by our assessment of key project parameters, including recoverable production volumes, estimated metal grades, metallurgical recovery rates, and long-term commodity price assumptions. For NORI-D, revenues are estimated by applying metal grades, metallurgical recoveries, payability assumptions, and commodity price forecasts to the life-of-mine nodule processing volumes for nickel, copper, cobalt, and manganese, with manganese modeled under a simplified pricing framework without a separate payability deduction. For Mesabi, revenue is estimated using a reserve-to-pellet conversion approach, with TMCR's royalty revenue adjusted for the disclosed step-down after cumulative production reaches 170 Mt, estimated around 2047. Accordingly, our estimates provide an indicative life-of-mine royalty revenue profile across both NORI and Mesabi, while recognizing that actual

cash flows will depend on production timing, ramp-up execution, commodity prices, recoveries, payable terms, and asset-specific royalty mechanics.

Lean Corporate Structure Supports High Operating Leverage: The Metals Royalty Company operates with a lean corporate structure typical of royalty and streaming companies, allowing the business to maintain minimal operating costs while retaining significant exposure to underlying commodity revenues. Unlike traditional mining companies that must fund exploration, development, labor, equipment, and sustaining capital expenditures, royalty companies generate revenue by holding royalty or streaming interests in mining projects. This model enables royalty companies to maintain very low fixed operating costs relative to potential revenue generation.

For the year ended December 31, 2025, the company reported total operating expenses of \$6.71 million, consisting primarily of general and administrative expenses of \$6.07 million and share-based compensation of approximately \$0.64 million. During the same period, the company reported an operating loss of \$6.71 million. Following its Public Listing, reported expenses increased in the first quarter ended March 31, 2026, with general and administrative expenses of \$4.66 million, including \$2.61 million of direct listing expenses, and share-based compensation of \$6.10 million. While these resulted in elevated reported operating expenses for the quarter, a meaningful portion of the increase relates to listing-related and no cash items rather than recurring operating costs. As a result, the company’s underlying cash cost base remains more modest than headline expenses suggest.

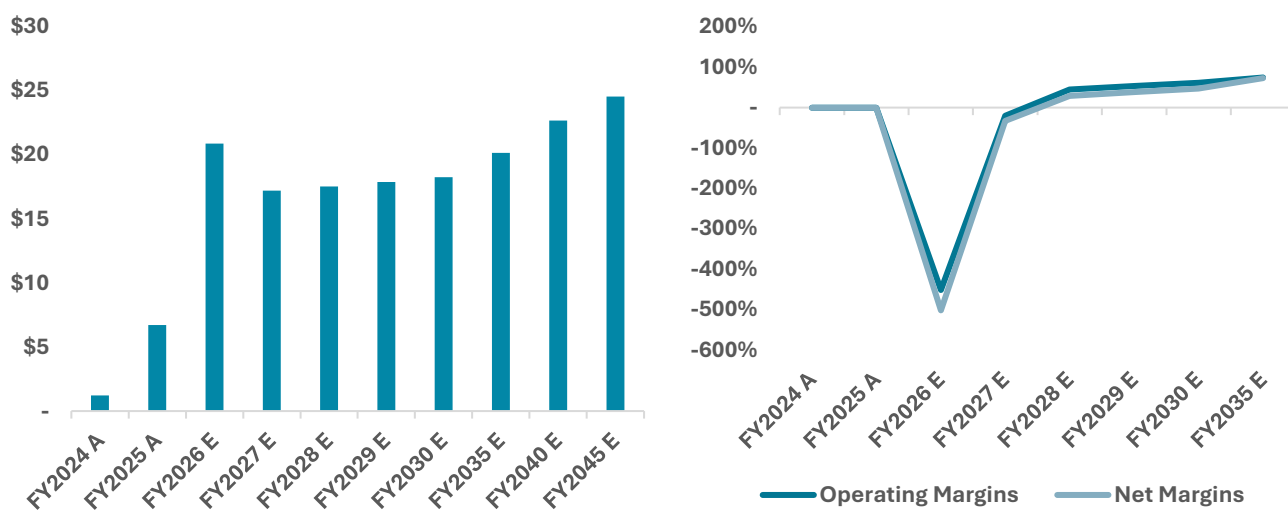


Exhibit 32: Total Operating Expenses Estimates (in \$mm) (left). Operating Margins and Net Margins Forecast (Right).
Source: Diamond Equity Research

Because royalty companies incur minimal variable costs once a royalty portfolio is established, incremental revenue generated from underlying mine production can translate into disproportionately higher margins and cash flows. This characteristic creates strong operating leverage, where revenue growth from commodity price increases, mine expansions, or additional royalty acquisitions can drive meaningful improvements in profitability.

Liquidity Position Supports Public Company Transition, While External Funded Mesabi Acquisition Introduces Near-Term Cash Flow Potential: The Metals Royalty Company remains in a pre-revenue stage, with its existing liquidity base primarily supporting corporate operations, public company transition costs, and portfolio advancement as the NORI-D project moves toward commercial production. As of March 31, 2026, the company reported cash and cash equivalents of \$31.31 million and total current assets of \$31.98 million. Separately, the company's liquidity and capital structure are expected to change meaningfully following the Mesabi transaction, under which TMCR is acquiring an effective 1.0% royalty interest for total consideration of \$132.5 million, comprising \$125.0 million in cash and \$7.5 million in TMCR common shares. The cash component is expected to be funded through \$80.0 million PIPE financing priced at \$13.0 per share and up to \$50.0 million senior secured acquisition credit facility, carrying an initial interest rate of 9.0% per annum with step-ups over time. Assuming Mesabi commences production in H2 2026 and ramps toward full capacity in 2027, the project could provide an annual royalty revenue potential of approximately \$13 million+ starting next year. TMCR also retains an option to acquire an additional 1.0% royalty interest alongside a right of first offer (ROFO) on a further 2.0% royalty retained by the seller, implying potential long-term exposure of up to 4.0% on the project if fully exercised, which could further increase future royalty cash flows.

Valuation

The Metals Royalty Company provides asymmetric exposure to key strategic minerals systems through a royalty structure, with its investment case supported by both the large-scale NORI polymetallic nodule royalty and the newly added near-production Mesabi Metallica royalty. The company's existing portfolio is led by a 2.0% GORR on the NORI polymetallic nodule project located in the Clarion-Clipperton Zone of the Pacific Ocean, which hosts one of the largest underdeveloped accumulations of the critical minerals globally. The NORI area provides exposure to an estimated 866 million wet tonnes of polymetallic nodules, highlighting the extraordinary scale of the resource base. Within this broader system, the NORI-D project alone contains approximately 164 Mt of recoverable polymetallic nodules, supporting a 19-year mine life with expected steady-state annual production of roughly 97 kt of nickel, 70 kt of copper, 7 kt of cobalt, and over 2 Mt of manganese, according to the 2025 PFS. This production scale already compares credibly with several major non-China global critical minerals operations, including projects such as Voisey's Bay in Canada, which produces roughly 40–45 kt of nickel annually, Ramu Nickel Project in Papua New Guinea, producing approximately 30 - 33 kt of nickel per year, and Ambatovy in Madagascar, which has produced around 30 Kt of nickel annually. Importantly, NORI-D represents only one development block within the broader NORI contract area, suggesting the potential for additional long-term production should other NORI areas be developed. The Mesabi royalty adds a differentiated near-term cash flow component, with TMCR acquiring an effective 1.0% index-priced GORR on a late-stage U.S. DR-grade iron ore pellet project. Mesabi has a 23+ year mine life, is approximately 93% complete, and targets first production in H2 2026, with ramp-up to full capacity in 2027.

The strategic relevance of TMCR's portfolio is supported by increasing demand for secure and diversified mineral supply chains. NORI offers exposure to nickel, copper, cobalt, and manganese, all of which are critical to electrification, energy storage, and industrial decarbonization. Mesabi expands this strategic positioning into the U.S. green steel supply chain through exposure to domestic DR-grade pellet production. This combination broadens TMCR's revenue base across battery metals, manganese, and green steel-linked iron ore, while aligning the company with broader Western efforts to reduce dependence on concentrated

mineral supply and processing chains. China currently dominates the refining and processing of several key critical minerals, accounting for roughly [50-70%](#) of global lithium and cobalt refining capacity, and a significant share of nickel processing capacity. At the same time, the United States remains highly dependent on imports of several of these minerals, with the U.S. Geological Survey reporting net import reliance of approximately [76%](#) for cobalt, [48%](#) for nickel, and [100%](#) for manganese. As electrification, renewable energy deployment, and electric vehicle adoption accelerate, demand for these metals is expected to increase significantly over the coming decades. In this context, TMCR’s portfolio offers strategic optionality across both future-facing electrification metals and lower-carbon steel inputs, positioning the company to benefit from policy support, and rising demand for non-China-linked sources of critical raw materials.

In valuing TMCR, we adopt a Net Present Value (NPV) framework applied to projected royalty revenues and subsequent cash flows from NORI-D and Mesabi, using a discount rate of 7.00% and assuming zero terminal value given the finite mine life of the underlying assets. As a complementary valuation methodology, we apply a modified guideline public company method (GPCM) based on EV/Sales multiples of publicly listed mining royalty and streaming companies. Rather than applying the peer average multiple directly, we use the average LTM EV/Sales multiple as a market-based reference point and apply a 30% discount to reflect TMCR’s earlier-stage profile, timing gap to first meaningful royalty revenue, and execution dependency on the underlying projects reaching commercial production. The resulting adjusted multiple is then applied to TMCR’s average annual life-of-mine royalty revenue, incorporating both NORI-D and Mesabi. Assigning a 50% weight to the NPV-based valuation framework and 50% weight to the adjusted EV/Sales-based GPCM, we derive a blended valuation of \$20.35 per share, contingent on successful execution by the company.

It should be noted that our forecast remains conservative in scope. For NORI, our revenue and cash flow assumptions are based solely on the NORI-D development area and exclude potential upside from the broader NORI contract area. For Mesabi, our forecast reflects the initial acquired royalty interest and disclosed production framework, while additional upside could arise from sustained DR pellet pricing above the \$150/t floor, throughput expansion, or exercise of TMCR’s option to acquire an additional royalty interest. While the valuation framework captures meaningful long-term potential, the investment thesis remains tied to several key development, regulatory, financing, and production milestones that could materially de-risk the company over the coming quarters.

Key Catalysts to Watch, with an Indicative Timeline:

- Mesabi transaction closing and financing completion — 2026
- Mesabi first production target — H2 2026
- NOAA permitting progression for NORI-D — 2026
- Completion of project financing and processing infrastructure development — 2026
- Further technical studies on broader NORI areas — 2026–2027
- Mesabi ramp-up to full capacity — 2027
- NORI-D Initial commercial production target — Q4 2027

Approaches	Value (USD)	Weight	Wtd. Value (USD)
DCF	463,566,392	50%	231,783,196

Approaches	Value (USD)	Weight	Wtd. Value (USD)
GPCM	2,037,757,849	50%	1,018,878,925
Wtd. Avg. Equity Value			1,250,662,120
No of Shares			61,407,267
Intrinsic Value Per Share			20.35

CAPM Assumptions	
Risk-free rate	4.2%
Beta*	0.60
Equity Rp	5.0%
Cost of Equity	7.2%
Long-Term Cost of Debt	9.0%
Tax Rate	26.5%
Equity as a % of Total Capital	70.0%
Debt as a % of Total Capital	30.0%
WACC/Discount Rate	7.00%

Enterprise Value	\$357,259,590
Financial Debt and Minority Interest	\$50,000,000
Cash and Cash Equivalents	\$156,306,802
Value of Equity	\$463,566,392
Number of Shares Outstanding	61,407,267
Equity Value Per Share	\$7.55

Company	Ticker	Currency	Primary Exchange	Market Cap. (in mm)	EV/S [#]
Franco-Nevada Corporation	FNV	USD	NYSE	43,621.62	24.10
Royal Gold, Inc.	RGLD	USD	NasdaqGS	19,563.05	19.70
OR Royalties	OR	USD	NYSE	6,845.52	24.20
Triple Flag Precious Metals Corp.	TFPM	USD	NYSE	6,503.46	16.50
Altius Minerals Corp.	ALS	CAD	TSX	2,722.58	47.20
Elemental Royalty Corp.	ELE	USD	NasdaqCM	1,083.48	22.80
LunR Royalties Corp.	LUNR	CAD	TSXV	1,593.52	n.a.
Gold Royalty Corp.	GROY	USD	NYSEAM	793.93	48.90
Metalla Royalty & Streaming Ltd.	MTA	USD	NYSEAM	602.35	51.70
Vox Royalty Corp.	VOXR	USD	NasdaqCM	356.52	21.40

Exhibit 33: Valuation Summary. Source: Diamond Equity Research

Management Overview

The leadership team of The Metals Royalty Company Inc. brings multidisciplinary experience across natural resources, energy, finance, investment banking, technology, and corporate law. Members have extensive backgrounds in capital markets, project financing, mergers and acquisitions, and strategic investment across public and private companies, with several holding concurrent roles in related organizations. The team has experience founding and scaling businesses, executing complex transactions, and managing investment portfolios, positioning the company to pursue a royalty-based strategy focused on disciplined capital allocation and strategic partnerships rather than direct operations.

Brian Paes-Braga - Chairman & CEO

Mr. Brian Paes-Braga serves as Chairman & CEO of The Metals Royalty Company Inc. and is also Managing Partner of SAF Group, an alternative capital provider based in Western Canada, where he oversees strategic direction and capital deployment across the firm's investment portfolio. Since its founding in 2014, SAF Group has completed more than 60 investments across multiple sectors. He has been involved in numerous company-building transactions involving significant debt and equity financings and associated market value creation. In addition, he serves as Chairman of NG Energy International Corp. Previously, he founded and served as CEO of Lithium X Energy Corp., a lithium resource company, which was subsequently acquired.

Donald Sewell - President and CFO

Mr. Don Sewell serves as President and CFO of The Metals Royalty Company Inc. and is a finance executive with experience spanning public companies, investment banking, and energy-sector investments. He also serves as President and Executive Director of NG Energy International Corp., and previously held a senior leadership role within the growth equity and energy transition investments team at SAF Group. Prior to this, he served as CFO of a TSX-listed consumer packaged goods company and worked in the energy investment banking divisions of a major Canadian bank and an independent energy-focused investment dealer. Mr. Sewell holds a Bachelor of Science degree from McGill University and is a CFA charterholder.

Lucas Cahill – Vice President, Capital Markets

Mr. Lucas Cahill serves as Vice President, Capital Markets, bringing over a decade of experience in the formation, financing, and development of publicly listed natural resource companies. He has been involved in the origination and advancement of several successful resource-focused issuers, including Lithium X Energy Corp., which was subsequently acquired in an all-cash transaction, and Gold X Mining, which was later sold to Gran Colombia Gold (now Aris Mining). In his current role, Mr. Cahill oversees capital markets strategy, investor relations, and financing initiatives in support of the company's royalty acquisition and growth objectives. He holds a BCom degree with a specialization in Finance from the UBC Sauder School of Business.

Jackson Wood – Managing Director, Investments

Mr. Jackson Wood serves as Managing Director, Investments, bringing extensive experience in mining investment, corporate finance, and capital deployment within the natural resources sector. He previously

served as Chief Investment Officer at Terranova Resources, a gold-focused private equity fund, where he led investment strategy and portfolio management. Prior to that, he was Vice President at Denham Capital, where he was involved in deploying over US\$1 billion in equity and debt investments across mining projects in Africa and Australia. Earlier in his career, he held roles at Independence Group (IGO) Limited, contributing to the acquisition of the Greenbushes lithium mine, and at KPMG Corporate Finance, where he developed transaction advisory experience. Mr. Wood holds a BCom in Economics and Finance from the University of Western Australia.

TMCR's leadership and advisory team brings together expertise across natural resources, energy infrastructure, investment management, capital markets, and technology entrepreneurship. The board of directors provides strategic oversight and governance, while the strategic advisors contribute specialized knowledge in mining finance, energy supply chains, corporate transactions, and project development. Together, their combined experience supports TMCR's royalty-driven investment strategy and its exposure to large-scale critical mineral assets such as the NORI polymetallic nodule project.

Member	Role	Description
Brian T. O'Neill	Director	Vice President at SAF Growth with expertise in corporate law, tax structuring, and resource-sector transactions; former lawyer at McCarthy Tétrault advising on M&A and corporate finance. Holds B.Sc. (Hons) Molecular Genetics and LL.B., University of Alberta; member of the Law Society of British Columbia.
Gerard Barron	Director	Co-Founder and CEO of The Metals Company, providing direct strategic insight into the NORI polymetallic nodule project, TMCR's core royalty asset. Founder of Adstream and involved in deep-sea mineral development since 2011.
Jorge Fonseca	Director	CEO of NG Energy International with over two decades of experience across energy operations, project finance, and investment banking, including roles at BP, Citigroup, and Pacific Rubiales. Holds degrees in Economics (University of Buckingham) and International Finance (University of Glasgow).
Hamed Shahbazi	Director	Founder and CEO of WELL Health Technologies and former founder of TIO Networks (acquired by PayPal). Brings expertise in public company leadership, capital markets, and technology-driven business growth. Holds a B.A.Sc. in Civil Engineering from the University of British Columbia.
Michael Hess	Strategic Advisor	Chief Investment Officer of Hess Capital and co-founder of the Bison Companies, with over 15 years of experience in energy infrastructure, logistics, and supply-chain investments. Previously worked in the energy groups at Goldman Sachs and KKR.
Dan Shribman	Strategic Advisor	CEO of Great American Holdings (GA Group); former CIO of B. Riley Financial and founder of Clamantis Holdings. Experienced investor in special situations, public companies, and private investments across multiple industries.
Reid Obradovich	Strategic Advisor	Managing Director at SAF Merchant Banking with extensive experience in mining finance, deal structuring, and capital markets. Former Managing Director at Stifel Nicolaus Canada (Metals & Mining) where he led major financings in the junior mining sector.
Bassam Moubarak	Strategic Advisor	Mining executive with over 20 years of experience in project finance, corporate development, and M&A. Currently CEO of Freeman Gold Corp and former CFO at Gold X Mining, Lithium X Energy, and Goldrock Mines, involved in multiple mining company acquisitions totaling several hundred million dollars.

Concentrated Ownership Structure with Strong Strategic Alignment

TMCR exhibits a highly concentrated and aligned ownership structure, with approximately 66% of the company held by TMC, founders, and management. This level of insider and strategic ownership is uncommon within the mining and royalty sector, where management ownership is typically far lower. Notably, the CEO and founding team hold a meaningful economic stake, supporting alignment with long-term value creation and capital discipline.

Particulars	Value
Basic Shares Outstanding	55.1M
Cash	\$31.3M
Debt	NIL
Insider & Strategic Ownership	66%
Free Float (% of I/O shares)	<20%

Exhibit 34: Pro-Forma Capitalization Summary (exclusive of recent PIPE and Debt financing). Source: TMCR Investor Presentation

In addition, the Hess Family (an experienced investor and operator in the energy sector) represents the largest external shareholder, providing further strategic backing alongside management and TMC. The combination of significant insider ownership and long-term strategic investors results in a tightly held capital structure, with a limited free float of less than 20%, which may have implications for liquidity but also supports alignment of interests across key stakeholders.

Shareholder Group	Ownership
Hess Family, Founders & Management	41%
The Metals Company (TMC)	25%
HNW / Family Offices	28%
Institutions	6%

Exhibit 35: Shareholding Breakdown. Source: TMCR Investor Presentation

In our view, the meaningful stake held by management and founders aligns incentives with shareholders, particularly in the context of capital allocation decisions, royalty acquisitions, and portfolio expansion.

Appendix

Year-end 31 st Dec. (in \$)	2024A	2025A	2026E	2027E	2028E
INCOME STATEMENT					
Revenue	-	-	4,146,677	19,410,510	43,024,198
Cost of Sales (Depletion)	-	-	(1,987,500)	(6,132,281)	(6,375,183)
Gross Profit	-	-	2,159,177	13,278,229	36,649,015
Operating expenses					
General and administrative exp.	(870,750)	(6,067,900)	(10,922,220)	(8,737,776)	(8,912,532)
Share-based compensation exp.	(338,229)	(640,207)	(9,952,025)	(8,459,221)	(8,628,405)
Consulting fees related to purchase of royalty	-	-	-	-	-
Total Operating Expenses	(1,208,979)	(6,708,107)	(20,874,245)	(17,196,997)	(17,540,937)
Income From Operations	(1,208,979)	(6,708,107)	(18,715,068)	(3,918,768)	(19,108,078)
Interest and Other Inc. / Exp.	57,906	244,467	(2,089,338)	(2,486,969)	(2,063,991)
Profit Before Tax (PBT)	(1,1510,73)	(6,463,640)	(20,804,406)	(6,405,738)	(17,044,088)
Profit After Tax (PAT)	(857,104)	(6,843,810)	(20,804,406)	(6,405,738)	(12,442,184)
Basic Shares Outstanding	43,028,900	43,928,918	57,986,172	63,784,789	65,060,485
EPS - basic	(0.02)	(0.16)	(0.36)	(0.10)	0.19

BALANCE SHEET					
Cash and cash equivalents	1,395,234	18,366,604	28,757,582	34,800,132	59,342,046
Other current assets	264,681	486,894	431,145	1,482,138	3,136,494
Total current assets	1,659,915	18,853,498	29,188,727	36,282,270	62,478,540
Non-current assets	19,808,542	14,094,815	144,607,315	138,475,034	132,099,851
Total Assets	21,468,457	32,948,313	173,796,042	174,757,304	194,578,391
Short-term borrowing	-	-	-	-	-
Other current liabilities	69,720	1,762,773	5,461,110	4,368,888	3,119,386
Total current liabilities	69,720	1,762,773	5,461,110	4,368,888	3,119,386
Long-term borrowing	-	-	50,000,000	50,000,000	50,000,000
Other non-current liabilities	-	-	-	-	-
Total liabilities	69,720	1,762,773	55,461,110	54,368,888	53,119,386
Total Equity	21,398,737	31,185,540	118,334,923	120,388,416	141,459,005
Total Liabilities & Equity	21,468,457	32,948,313	173,796,042	174,757,304	194,578,391

CASH FLOW STATEMENT					
Cash Flow from Operating	537,784	(3,233,416)	(5,110,795)	6,042,550	24,541,914
Cash Flow from Investing	-	(14,279)	(125,000,000)	-	-
Cash Flow from Financing	-	20,219,245	140,501,773	-	-
Increase (decrease) in cash	537,784	16,971,370	10,390,978	6,042,550	24,541,914
Cash at the end of period	1,395,234	18,366,604	28,757,582	34,800,132	59,342,046

Exhibit 36: Financial Statement Snapshot.
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 development-stage royalty interests 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 93% complete, continues to face construction, commissioning, ramp-up, and operational execution risk ahead of targeted commissioning in H2 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 requires funding support for final construction, commissioning, and ramp-up activities, 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.

- **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 primary asset. 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 Metallica 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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