

26 October 2026

The Power of Grade

NEED TO KNOW

- **Morro do Ferro grades sit among the highest of any rare earth project globally. The latest hole reported 111m at 8.3% TREO from surface**
- **Maiden Exploration Target of 9.2-10.7Mt at 7.8-9.2% TREO, with a maiden Resource targeted for Q1 2027**
- **Resource development, metallurgy and approvals are the key de-risking steps ahead; State priority status has been secured**

Grade that stands apart: Morro do Ferro (MDF) is a supergene rare earth deposit at the centre of Brazil's Poços de Caldas complex. PNN's maiden Exploration Target of 9.2Mt to 10.7Mt at 7.8% to 9.2% Total Rare Earth Oxides (TREO), with 1.3% to 1.6% Magnet Rare Earth Oxides (MREO), sits above both Mountain Pass and Mt Weld, the west's leading rare earth mines. PNN's first seven diamond holes have confirmed thick mineralisation from surface, best hits include 111m at 8.3% TREO from surface and 91m at 7.7% TREO from surface, as well as 20-60m thick sub-intervals grading 11-20% TREO. MDF is shaping up as a global stand-out rare-earths deposit.

Built around the magnet rare earths: Mineralogical work indicates the magnet rare earths (Nd, Pr, Dy, Tb) are hosted mainly in bastnasite, the same host mineral as Mountain Pass and China's giant Bayan Obo, while low-value cerium is hosted largely in separate cerianite. If confirmed, this opens a path to producing a premium, cerium-depleted magnet rare earth rich concentrate, further enhancing project economics. Mineralogical and metallurgical test work is underway to advance this outcome.

Approvals pathway clear, first steps taken: MDF's Manifesto de Mina (Mining Licence) already gives it the right to mine, so PNN will not need to apply for a mining concession. The approvals still required are State environmental licences (preliminary, installation and operating) and federal radiological authorisation. In September 2026 Minas Gerais granted MDF priority project status, directing licensing to the specialised SUPPRI unit which can co-ordinate and expedite approvals. Baseline studies and the EIA/RIMA environmental studies are set to follow the Resource.

Investment Thesis

A global stand out at the start of its de-risking curve: PNN offers exposure to one of the highest-grade rare earth systems held by an ASX-listed company, located in Brazil's most active rare earth district. Grade of this order has the potential to underpin a low-impact/small-footprint, low-tonnage operation producing high volumes of a magnet-rich concentrate. Over the next 6 months PNN is expected to complete its maiden diamond program, report mineralogy and metallurgy, and a maiden Mineral Resource. An MDF Resource consistent with the Exploration Target, combined with a successful flowsheet, is set to mark a step change in how the market values PNN.

Valuation & Risks: \$0.32

We value PNN based on a hard rock peer group multiple applied to an estimate of the potential Resource that we set 50% above the mid-point of the MDF Exploration Target. We see PNNs world leading grades as deserving of a multiple at or above its developer peers. Key risks include exploration, approvals, funding, metallurgy, and commodity prices.

Equity Research Australia

Materials

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Power Minerals Limited (PNN) is an ASX-listed rare earth explorer focused in Brazil. Its flagship asset is the 100%-owned Morro do Ferro rare earth project in Minas Gerais acquired in 2026. MDF hosts exceptionally high grade rare earths with mineralisation from surface. An Exploration Target of 9.2-10.7Mt at 7.8-9.2% TREO has been reported, with a magnet-rich basket hosted mainly in bastnasite. PNN also holds the Santa Anna niobium-rare earths project in Goiás, the Salta lithium brine portfolio in Argentina. A maiden MDF Resource is targeted for Q1 2027 to be followed by studies.

Valuation	A\$0.320
Current price	A\$0.135
Market cap	A\$59m
Cash on hand	A\$7.5m

Upcoming Catalysts / Next News

Period	
Q4 2026	Complete initial MDF drilling
Q4 2026	MDF drilling results
Q4 2026/Q1 2027	Metallurgical testwork
Q1 2027	Maiden MDF Resource
2027	Advance approvals

Share Price (A\$)



Source: FactSet, MST Access

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Financial Summary

Figure 1: Power Minerals Financial Summary

POWER MIENRALS LTD						PNN.AX
Year end 30 June						
MARKET DATA						
Share Price	A\$/sh					0.135
52 week high/low	A\$/sh					0.07 - 0.19
Valuation	A\$/sh					0.32
Market Cap (A\$m)	A\$m					59
FY26 Y/E Net Cash / (Debt) (A\$m)	A\$m					8
Enterprise Value (A\$m)	A\$m					51
Shares on Issue	m					438
Options/Performance shares	m					228
Other Equity	m					50
Fully Diluted Shares on Issue	m					716
Valuation (using fully diluted share count)						
Morro do Ferro		A\$m		A\$ps		
		189		0.26		
Other Assets		20		0.03		
Less: NPV Corporate Costs, deferred consideration		-16		-0.02		
Add: Cash from options		22		0.03		
Add: Net Cash / (Debt) as at 31 December 2026		13		0.02		
PNN Equity Valuation - Diluted		229		0.32		
INVESTMENT FUNDAMENTALS (June Y/E)						
		FY25A	FY26A	FY27E	FY28E	FY29E
EPS Reported (undiluted)	cps	(19.1)	(3.8)	(0.0)	(0.0)	(0.0)
DPS	cps	0.0	0.0	0.0	0.0	0.0
Dividend Yield	%	0	0	0	0	0
FCF/Share	A\$	(0.01)	(0.02)	(0.02)	(0.02)	(0.03)
FCF Yield	%	-7%	-17%	-16%	-18%	-19%
Book Value / Share	A\$	0.01	0.00	0.00	0.03	0.03
Year End Shares	m	127	438	488	488	488
Net Cash / (Debt)	A\$m	1	7	8	2	(10)
EV/EBITDA	x	nm	nm	nm	nm	nm
Net Cash (Debt) / Enterprise Value	x	0.02	0.15	0.16	0.05	(0.19)
Net Cash (Debt)/ Equity	%	0.07	0.20	0.18	0.05	(0.22)
Morro do Ferro Exploration Target						
	Resource	Grade	Contained TREO			
	Mt	%	kt			
9.2% TREO cut-off grade	9.17	9.2%	844			
7.8% TREO cut-off grade	10.73	7.8%	837			
Management & Board ownership						
	Shares	Perf Rights	Options			
	(m)	(m)	(m)			
Mr Stephen Ross - Non Exec Chair	0.3	9.20	0.00			
Ms Mena Habib - MD	1.9	22.10	0.78			
Mr James Moses - NED	0.1	5.67	0.04			
12-Month Relative Performance vs S&P/ASX Metals & Mining						
Profit & Loss (A\$m)						
		FY25A	FY26A	FY27E	FY28E	FY29E
Revenue		0.2	0.0	0.0	0.0	0.0
Expenses		(21.9)	(10.1)	(7.9)	(8.2)	(8.3)
EBITDA		(21.7)	(10.1)	(7.9)	(8.1)	(8.3)
D&A		(0.0)	(0.0)	0.0	0.0	0.0
EBIT		(21.7)	(10.1)	(7.9)	(8.1)	(8.3)
Net Interest expense		(0.1)	0.0	0.1	0.0	0.0
Tax		(0.1)	-	-	-	-
NPAT		(21.9)	(10.0)	(7.8)	(8.1)	(8.3)
Exceptionals		0.2	(0.7)	-	-	-
NPAT Underlying		(21.7)	(10.8)	(7.8)	(8.1)	(8.3)
Balance Sheet (A\$m)						
		FY25A	FY26A	FY27E	FY28E	FY29E
Cash		1.2	7.5	8.1	12.7	1.5
Trade & Receivables		0.2	0.2	0.2	0.2	0.2
Inventory		-	-	-	-	-
PP&E		0.1	0.0	0.0	0.3	1.3
Exploration & Evaluation Assets		17.2	30.6	37.8	45.7	54.2
Other		2.4	0.0	0.0	0.0	0.0
Assets		21.1	38.3	46.1	58.9	57.3
Creditors		1.2	0.6	0.6	0.6	0.6
Debt		-	-	-	10.3	11.3
Provisions		0.1	0.2	0.2	0.2	0.2
Other		2.3	-	-	-	-
Liabilities		3.7	0.8	0.8	11.0	12.1
Net Assets		17.4	37.5	45.4	47.9	45.2
Cashflow (A\$m)						
		FY25A	FY26A	FY27E	FY28E	FY29E
Cash Receipts/(Payments)		(1.8)	(3.0)	(2.3)	(2.5)	(2.7)
Interest		0.0	0.0	0.1	-	-
Tax		-	-	-	-	-
Other		-	-	0.0	0.0	0.0
Net Cash From Operations		(1.8)	(2.9)	(2.2)	(2.5)	(2.7)
Capex		(2.4)	(7.2)	(7.2)	(7.9)	(8.5)
Other		0.2	0.2	-	-	-
Free Cash Flow		(4.0)	(10.0)	(9.4)	(10.4)	(11.2)
Equity raise (net of cost)		3.8	18.4	10.0	-	-
Borrowings drawn/(repaid)		1.0	(2.2)	-	15.0	-
Other		(0.0)	-	-	-	-
Net Increase / (Decrease) in Cash		0.7	6.2	0.6	4.6	(11.2)

Source: MST, PNN

Morro do Ferro - A Grade Apart

PNN is a critical minerals explorer whose investment case is focused on the 100%-owned Morro do Ferro (MDF) rare earth project in Minas Gerais, Brazil. MDF was acquired from private vendor Mineracao Terras Raras (MTR) in April 2026 and hosts some of the highest rare earth grades reported across any deposit globally. Historical diamond drilling returned intervals such as 60.85m at 8.92% TREO from surface to end of hole, PNN's own maiden holes have confirmed thick, high-grade mineralisation. A maiden Exploration Target of 9.2Mt to 10.7Mt at 7.8% to 9.2% TREO was released in September 2026. The deposit is soft, deeply weathered and mineralised from surface, and the magnet rare earths are concentrated in bastnasite. These are highly attractive project characteristics all supporting stand-out economics.

The work ahead over the next six months will be focused on completion of diamond drilling, mineralogy studies and metallurgical test work, converting the Exploration Target into a Mineral Resource, and development of the process flowsheet, as well as early-stage work towards approvals.

MDF's grade is genuinely exceptional, and the combination of grade, magnet rare earth content and a free-digging, near-surface deposit gives PNN an extremely attractive platform to build upon. As the key de-risking steps of establishing the Resource and proving up a successful flowsheet are delivered, it is clear there is major scope for a re-rating from PNN's current valuation.

Grade in a class of its own

MDF's Exploration Target grade of 7.8% to 9.2% TREO places it at the top end of any rare earth development peer group. The clay-hosted projects in the same district carry resources grading around 2,500ppm TREO (MEI's Caldeira, VMM's Colossus), and further afield BCM's Ema and AXL's Caladão sit at 732ppm and 1,443ppm. Brazilian hard-rock peers are a closer comparison with SGQ's Araxa resource grades 3.6% TREO and BRE's Monte Alto Resource grades 11.3% TREO (in a relatively small-scale 3.4Mt deposit). For global context, Mountain Pass and Mt Weld are the two highest grade deposits in operation globally, with Mineral Resource grades of 5.1% and 4.2% TREO respectively.

PNN's 2026 drilling has delivered some exceptional thickness and grade, confirming the equally attractive historical data.

- 111m at 8.25% TREO from surface, including 51m at 15.42% TREO and a project record 1.25m interval at 40.5% TREO (7.73% MREO) (MFSR-057).
- 91m at 7.7% TREO from surface, including 62m at 11.1% 137m at 4.31% TREO from surface including 26.9m at 13.0% TREO and 2.40% MREO, (MFSR-052)
- 88m at 6.33% TREO from surface within 186m of continuous mineralisation (MFSR-054)

In terms of the leading rare earths intercepts ever reported, we believe PNN has now delivered three of the top five. On a conceptual basis, the ~10Mt Exploration Target equates to ~0.84Mt of contained TREO (at the grade mid-point), a similar order to the 0.79Mt contained in BCM's Ema Resource, that is hosted in 1.07Bt. Comparisons across deposit types are not necessarily like-for-like, giving mining and processing routes can differ materially, however, the magnitude of the grade advantage at MDF is clear.

A magnet-focused basket and a potential premium product

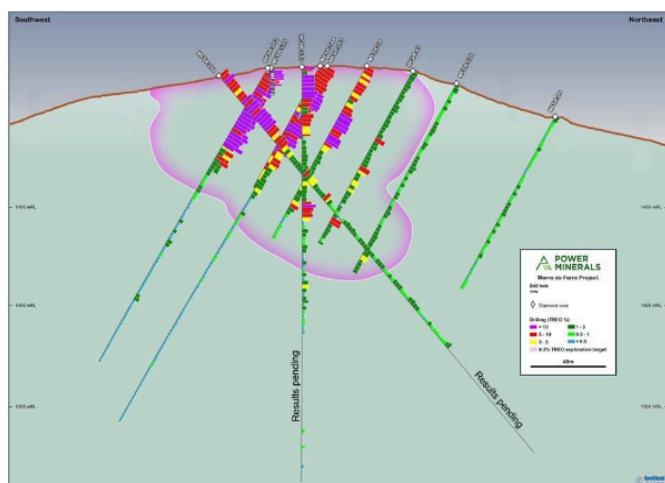
The Magnet Rare Earth Oxides (Nd, Pr, Dy and Tb) make up 17.2% to 17.4% of TREO within the Exploration Target grade shells. That equates to an in-situ MREO grade of 1.3% to 1.6%. PNN's mineralogical work indicates that bastnasite hosts most of the magnet rare earths while cerium sits largely in separate cerianite. This means that through early removal of the cerianite, the processed MREO grades are essentially being beneficiated to even higher grades. PNN state that around 40% of the non-cerianite rare earth inventory is magnet rare earths. PNN estimates Nd, Pr, Dy and Tb account for ~98% of the value of that non-cerium inventory at current prices. This will result in a concentrate extremely rich in MREO, potentially substantially depleted in lower value cerium.

If mine planning (cerium appears to dominate the near surface mineralisation, although not all holes are showing this pattern) and beneficiation can selectively reduce cerium, MDF could produce a premium magnet rare earth concentrate. This would be a genuine differentiator. The mineralogy and metallurgy programs to advance this work are now under way.

Mineralised from surface and open at depth

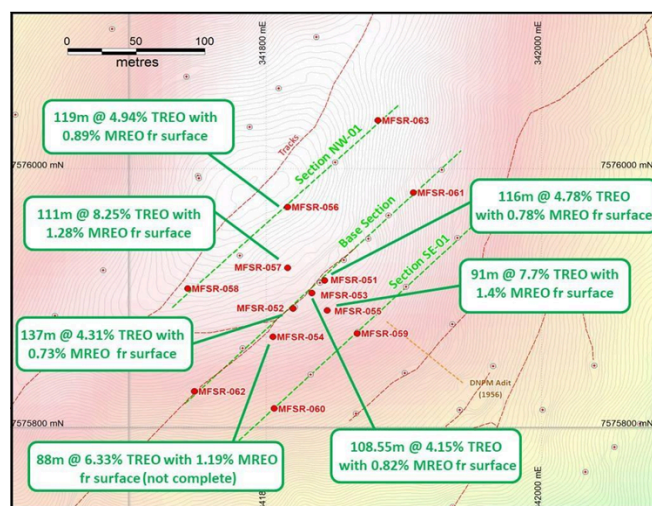
MDF's mineralisation is hosted in a deep weathering profile that extends to 150m in places. Mineralisation starts at surface, and most historical holes ended in mineralisation. PNN's deepest drill hole to date returned continuous mineralisation from surface to 190m downhole, and intersected a second, deeper 20m mineralised zone from 222m (including 2m at 6.88% TREO from 240m). PNN interprets the deep zones as pointing to a primary mineralising system beneath the supergene enrichment. Drilling has also now confirmed the high-grade zone continues on a section 60m northwest of the initial drilling and a third section to south east. Close to 60% of the Exploration Target is supported by drilling, with the balance a projected extension into the undrilled southern lode. PNN has completed 18 of a planned ~25 diamond holes for ~3.2km, with assays received for the first seven holes. Results from the remaining holes, additional bulk density work and a maiden Resource targeted for Q1 2027 are the next milestones.

Figure 2: MDF Exploration Target and Base Cross Section



Source: PNN

Figure 3: MDF - Plan view showing drilling off Base Section



Source: PNN

Secure tenure in Brazil's rare earth hub

MDF sits on a Manifesto de Mina, a legacy Brazilian mining title classed as real property. It gives the holder both surface and mineral rights over 300.72ha with no expiry date, provided taxes are paid, and no third-party approvals are needed for exploration beyond environmental approvals. This means the project already has its right to mine, and now primarily requires environmental and radionuclide related approvals.

The project lies ~13km southeast of Poços de Caldas, a city of ~150k people with an airport, rail, all-season roads and power, and ~200km north of São Paulo. It shares its western boundary with VMM's Colossus South Complex. MEI and VMM both received Preliminary Licences (initial environmental approvals) for their Poços de Caldas projects in December 2025, VMM has lodged its Installation Licence application, and both are operating pilot or demonstration plants. PNN is therefore entering a region where regulators, service providers and a rare earth workforce are already engaged. In September 2026 the Minas Gerais Government granted MDF priority project status under State law, this further supports the approvals process giving PNN access to the dedicated SUPPRI (Superintendency of Priority Projects) unit which can help co-ordinate and expedite approvals.

Valuation: A\$0.32 based on peer group multiples

Strategically, MDF is positioned in a district that is rapidly becoming the centre of Western efforts to build rare earth supply outside China. A small-footprint, high-grade deposit producing a magnet-rich concentrate would be of interest to Western separators, magnet makers and government-backed offtake programs and partners.

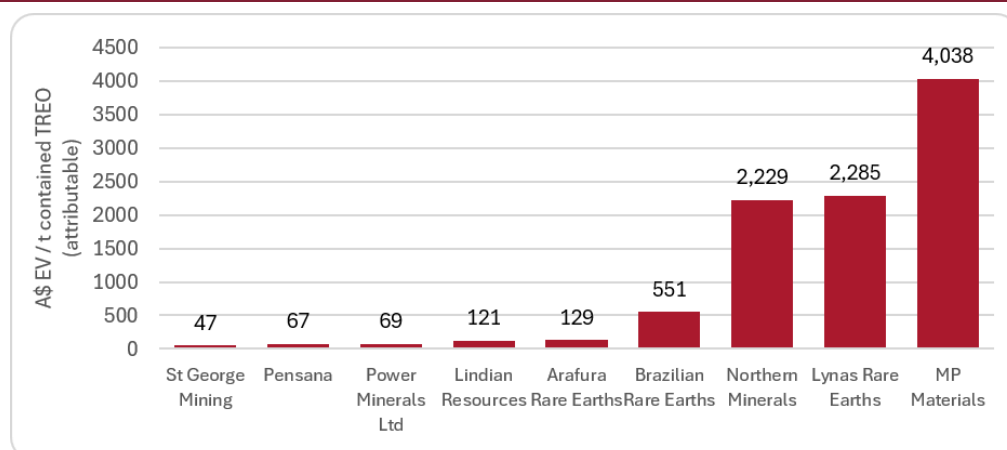
We value PNN based on a multiple of A\$150/kg TREO applied to an estimate of Resource set at 50% above the Exploration Target mid-point. We believe the project's high-grade nature supports a multiple at the upper end of the hard-rock development peers given the ultimate advantages in terms of capital intensity and operating costs the grade will deliver. PNN's current share price fails to capture the stand-out nature of MDF's grade over rare earth peers. Near term, the delivery of assays, the first mineralogy and metallurgy results, and a maiden Resource are key catalysts. Beyond this, advancing licensing and studies will see the project further de-risked and the valuation re-rate.

Valuation: A\$0.32 - An undervalued gem

Given its relatively early stage of development, MDF does not yet have a Mineral Resource or completed studies. However, its Exploration Target is well underpinned with extensive historic drilling. In combination with PNNs current drilling, verification of this historic data through twinning holes, should mean relatively low risk conversion to Resource. The PNN drilling is also showing potential for depth extensions beyond the 120m limit of the Exploration Target window, in addition, historic drilling has demonstrated mineralisation outside the current Exploration Target. These potential depth and lateral extensions give us confidence the ultimate Resource will exceed the current Exploration Target.

We adopt a multiple based on the hard-rock peers and apply it to an estimated contained TREO volume that sits 50% above the current Exploration Target mid-point. We believe that given the world-leading grade of PNN's drilling and potential Resource, and the ultimate project advantages this will deliver, the multiple applied can sit at or above other hard rock development peers, accordingly we use a multiple of US\$150/kg.

Figure 4: ASX listed rare earths EV/kg NdPr equivalent



Source: MST

We have addressed near term funding through assuming a modest A\$10m raise at \$0.20 (vs \$0.14 currently) in H2 FY27, with longer term funding introduced as a A\$10m debt component, although this could potentially come from divestment of non-core assets. The MDF deferred consideration - A\$9m cash and A\$7.5m in shares issued at \$0.09 - is captured in our valuation including the present value of the cash payments and the additional shares. We note that given the nature of the MDF mining concession, one offsetting factor relative to Brazilian peers is that MDF will not need to pay any landholder royalties.

Figure 5: PNN Valuation

Valuation		A\$m	A\$ps
Morro do Ferro			
Exploration Target contained TREO (Mt)	0.84		
Resource conversion factor (x)	1.50		
Assumed contained TREO (Mt)	1.26		
EV/kg contained TREO (\$/Mt)	150		
Morro do Ferro valuation		189	0.26
Other Assets		20	0.03
Asset Value		209	0.29
Less: NPV Corporate Costs, deferred MDF consideration		-16	-0.02
Add: Cash from Options/Raising		22	0.03
Add: Net Cash / (Debt) as at 31 December 2026		13	0.02
PNN Equity Valuation - Diluted		\$229	\$0.32
Current shares outstanding (m)	438		
Outstanding options/perf rights/raise (m)	278		
Fully diluted shares on issue (m)	716		

Source: MST, PNN

Peer Comparisons

Against the ASX-listed Brazilian rare earth peer group, while PNN is one of the earlier stage projects, it hosts the second-highest grade behind only the smaller scale BRE. The more advanced ionic clay developers (MEI, VMM) have progressed through PFS, DFS or BFS and, in MEI and VMM's case, through Preliminary Licences, and they carry +A\$500m market values that reflect that progress. The hard-rock peers (SGQ, BRE) are the more relevant grade comparison. BRE's Monte Alto Resource of 3.40Mt at 11.3% TREO is of a similar order in grade to MDF's Exploration Target although smaller in scale, and with a Resource and scoping study in place it provides the most relevant valuation reference for a high-grade, small-tonnage Brazilian rare earth deposit, BRE has a market capitalisation of A\$520m. SGQ's Araxa hosts a larger scale resource with contained TREO of ~4Mt at lower, yet still attractive, grades of ~3.6% TREO, it attracted Hancock Prospecting as a ~10% shareholder and has a current market capitalisation of ~A\$300m.

Key Catalysts

- **Remaining assays (Q4 2026):** Assays remaining pending for at least 12 holes, together with the lower parts of MFSR-053, MFSR-054 (67.55m) and MFSR-056 (83.2m). Collectively, these will test the northeast and northwest extensions, the deep high-grade zone and the continuity of section NW-01. Ongoing reporting of the exceptional grades and thicknesses will build confidence in the maiden Mineral Resource.
- **Mineralogy and metallurgy (Q4 2026 into 2027):** The mineralogical characterisation program will provide insights into whether cerium and gangue materials can be selectively removed. The first modern metallurgical testwork is also underway. Given one of the central risks to all rare earths projects is establishing a successful processing pathway, positive results here would be one of the most important de-risking events for MDF.
- **Maiden Mineral Resource (Q1 2027):** A Mineral Resource consistent with the Exploration Target will confirm the stand-out nature of MDF in terms of its grade.
- **Licensing (2027):** Engagement with SUPPRI, FEAM (the Minas Gerais State environmental regulator), and SEDE (the Minas Gerais State Department of Economic Development) on the scope of baseline studies and the environmental impact assessment (EIA/RIMA), and with ANSN (the National Nuclear Safety Authority) on radiological classification, will define the approvals pathway and timetable adding clarity to the development pathway.
- **Santa Anna metallurgy:** PNN will use the October 2026 pyrochlore mineralogy to design metallurgical testwork and plans further geophysics to map the niobium mineralisation. Pyrochlore beneficiation results would be the first test of Santa Anna's processing potential.
- **Non-core asset monetisation:** The Salta lithium portfolio (for which there had been an announced non-binding term sheet agreed with Summit Explore that included a US\$50M outright purchase option, since terminated), Santa Inés copper-gold and the Australian assets provide potential sources of non-dilutive funding.

Key Risks

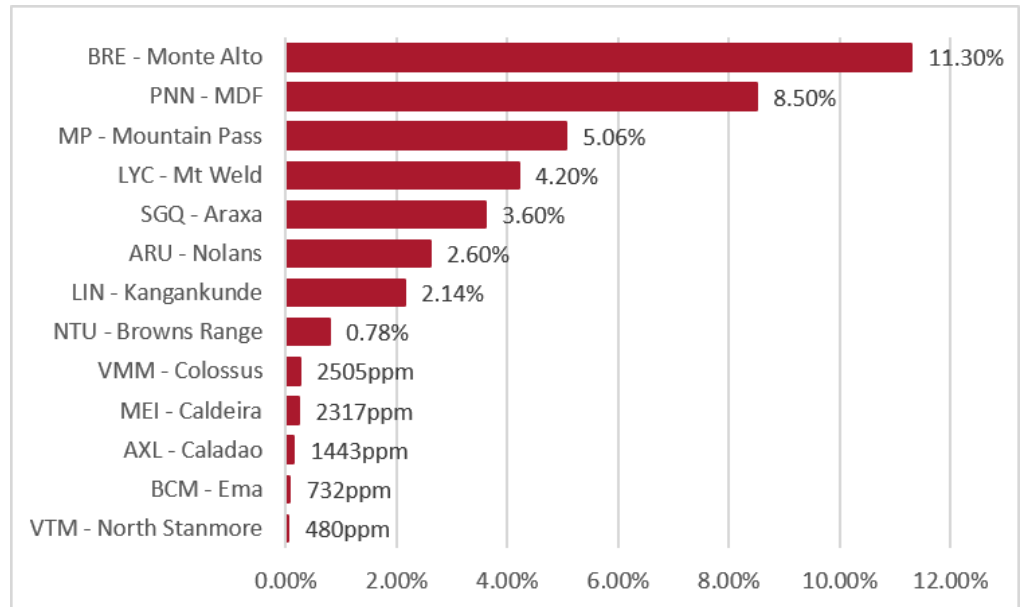
- **Commodity prices and markets:** The MDF project value will be highly sensitive to NdPr, Dy and Tb pricing and to the evolving bifurcation between Chinese and Western pricing. This represents a risk to both the downside and the upside given the scarcity of western supply of heavy rare earths in particular.
- **Metallurgy:** Rare earths processing is well understood to be particularly challenging. Bastnasite hosted ore in a clay-rich, iron-rich weathered matrix may present beneficiation and leaching challenges, and recoveries, reagent consumption and final product specification are all to be determined. Poor results would materially affect the investment case. We see the headline grades as a key element derisking MDF metallurgy. Higher recoveries are naturally preferable, but when working with such elevated grades there is greater ability to work with lower recoveries and still deliver very attractive economics.
- **Radiological classification and approvals:** Processing MDF mineralisation may concentrate thorium into its finished products or waste residues. This will likely impact the facility's radiological classification, requiring Federal Government licensing. It will also potentially drive increased waste management obligations and has the potential to narrow the customer base for the product. These are standard issues for hard rock rare earth projects, most of which handle radionuclides in waste products, but are a risk to be managed.

- **Resource conversion:** The Exploration Target is conceptual with around 40% of the tonnage a projected extension into undrilled ground. Offsetting this, a number of holes (from MFSR-055 onward) were excluded from the estimate. The maiden Mineral Resource may differ in tonnes or grade, however, given drilling results continue to support the initial views around MDFs thick, high-grade nature, we see this risk as modest.
- **Funding and dilution:** As with all mining exploration and development companies, funding will be required to advance the project and there are always risks this may not be secured. PNN has A\$7.5m cash (30 June 2026), with A\$9.0m of deferred cash (and A\$7.5m of deferred shares) owed on MDF milestones (plus 13% facilitation fees), so further funding will be required. We note the potential for sale of non-core assets to reduce reliance on new equity, plus outstanding in the money options could also contribute up to A\$23m to cash balances if all exercised.
- **Jurisdiction and regulation:** Brazil is a well-established mining jurisdiction, and PNN is operating in a state well known for its mining activities. Nevertheless, there is always risk around existing rules on royalties, licensing and foreign participation.

How High is the MDF Grade?

Grade is the single most important natural advantage a mineral deposit can have, and on grade MDF stands out. The chart below compares MDF's Exploration Target grade with the Mineral Resource grade of global rare earth projects. MDF sits second only to Brazil Rare Earth's (BRE.ASX) smaller scale Monte Alto, above both of the West's established large-scale producers, above St George's (SGX.ASX) Araxa, and it is roughly 30x the Poços de Caldas clays (albeit we understand this is not a like-for-like comparison). For completeness we note the Mt Weld Ore Reserve grade is 6.2% and the Mountain Pass Ore Reserve is 5.06%.

Figure 6: TREO Resource grade: MDF vs peers

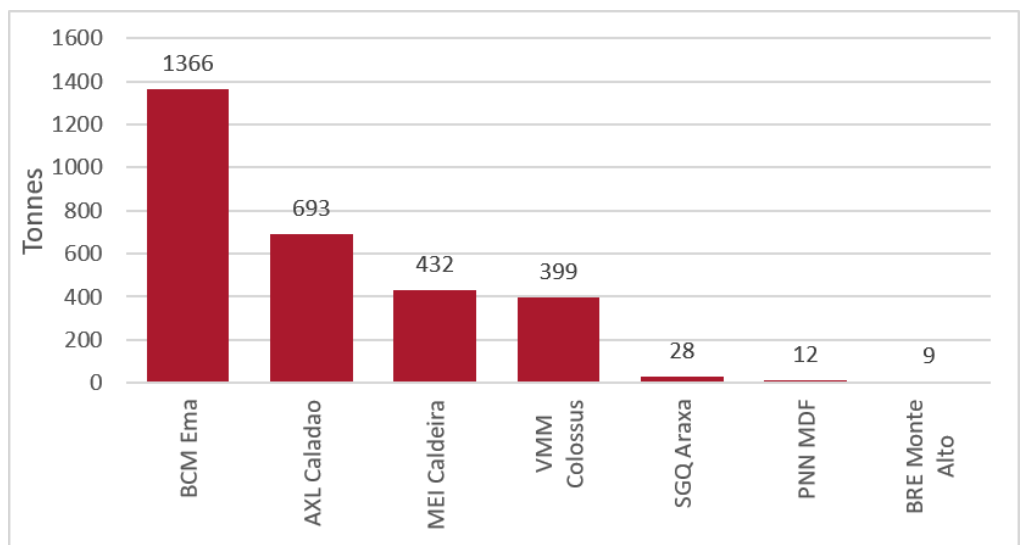


Source: MST, PNN (PNN grade reported as mid-point of Exploration Target range)

What the grade means in practice

A simple way to express the grade advantage is the tonnes of Mineral Resource that must be mined to extract one tonne of contained TREO. For MDF this is ~11t to 13t, against ~9t at Monte Alto, ~28t at Araxa, and a materially higher ~400t to ~1,400t for the clay-hosted projects. This is essentially an inverse of the grade difference, however, it clearly highlights the practical implications of grade. Every tonne of ore that does not need to be mined, hauled, and processed reduces capital cost, operating cost, energy use, water use, tailings production and the physical footprint of the operation.

Figure 7: Tonnes of ore per tonne of contained TREO



Source: MST

The magnet rare earth content reinforces the point. The MREO share of the basket (17% to 18%) is lower than the ~23% to 24% typical of the Poços de Caldas clays, reflecting MDF's larger cerium and lanthanum component, however, at 1.3% to 1.6% MREO, MDF's in-situ magnet rare earth grade is more than 20x VMM's 592ppm MREO and ~70x BCM's 190ppm MREO.

The caveats

Ionic clay projects recover rare earths using a simple, low-temperature modest pH salt leach, which is why grades can be economic down to below 1000ppm in the right circumstances. Clay's also typically report lower radionuclide content. Hard-rock and supergene mineral deposits such as MDF require beneficiation and chemical cracking, which is more capital and energy intensive. Grade must be higher to compensate.

We understand a like-for-like comparison vs clay projects is not necessarily fair given the different processing routes and cost structures of these deposits, but the point remains that higher grade deposits such as MDF result in significantly reduced material movement, tailings generation, reagent, energy, and water use and a smaller operational footprint vs lower grade deposits.

MDF vs global high-grade peers - What the drilling shows

In comparing MDF drilling results to results reported at the key high-grade deposits globally, (Lynas' Mt Weld, MP Materials' Mountain Pass, St George's Araxa, and Brazilian Rare Earths' Monte Alto), we see that PNN stands out as a leader with the results it has delivered to date.

MDF delivers the top rare earths intersection ever reported

When evaluating rare earth intersections on a cumulative Grade × Width (%m TREO) basis (see Figure 9 Panel A), PNN's step-out hole MFSR-057 (111.0m @ 8.25% TREO from 0m = 915.8 %m TREO) puts MDF in the top spot among all intersections across the peer group. Lynas's single deep geological research diamond hole drilled under its Mt Weld pit in 2022 beats it at 1020m @ 2.22% TREO, but this was an isolated deep hole drilled to see what the primary volcanic pipe looked like at depth.

Even more impressively, the 51-metre high-grade core inside MFSR-057 (51.0m @ 15.42% TREO from 24m = 786.4 %m TREO) on its own exceeds the full-hole cumulative metal content of:

- St George Mining's thickest Araxa intercept - 178.7m @ 4.34% TREO (775.6 %m TREO)
- Brazilian Rare Earths' best Monte Alto hole - 36.7m @ 16.10% TREO (590.9 %m TREO)
- MP Materials' Mountain Pass core - 60m @ 9.50% TREO (570.0 %m TREO)
- Mt Weld's pre-mining CLD saprolite core - 37.5m @ 14.40% TREO (540.0 %m TREO).

There may be historic holes that we are not aware of, but from the information we have, PNN's MFSR-057 is possibly the best rare earths drill hole ever reported.

In comparison to the global benchmarks - Mt Weld and Mountain Pass

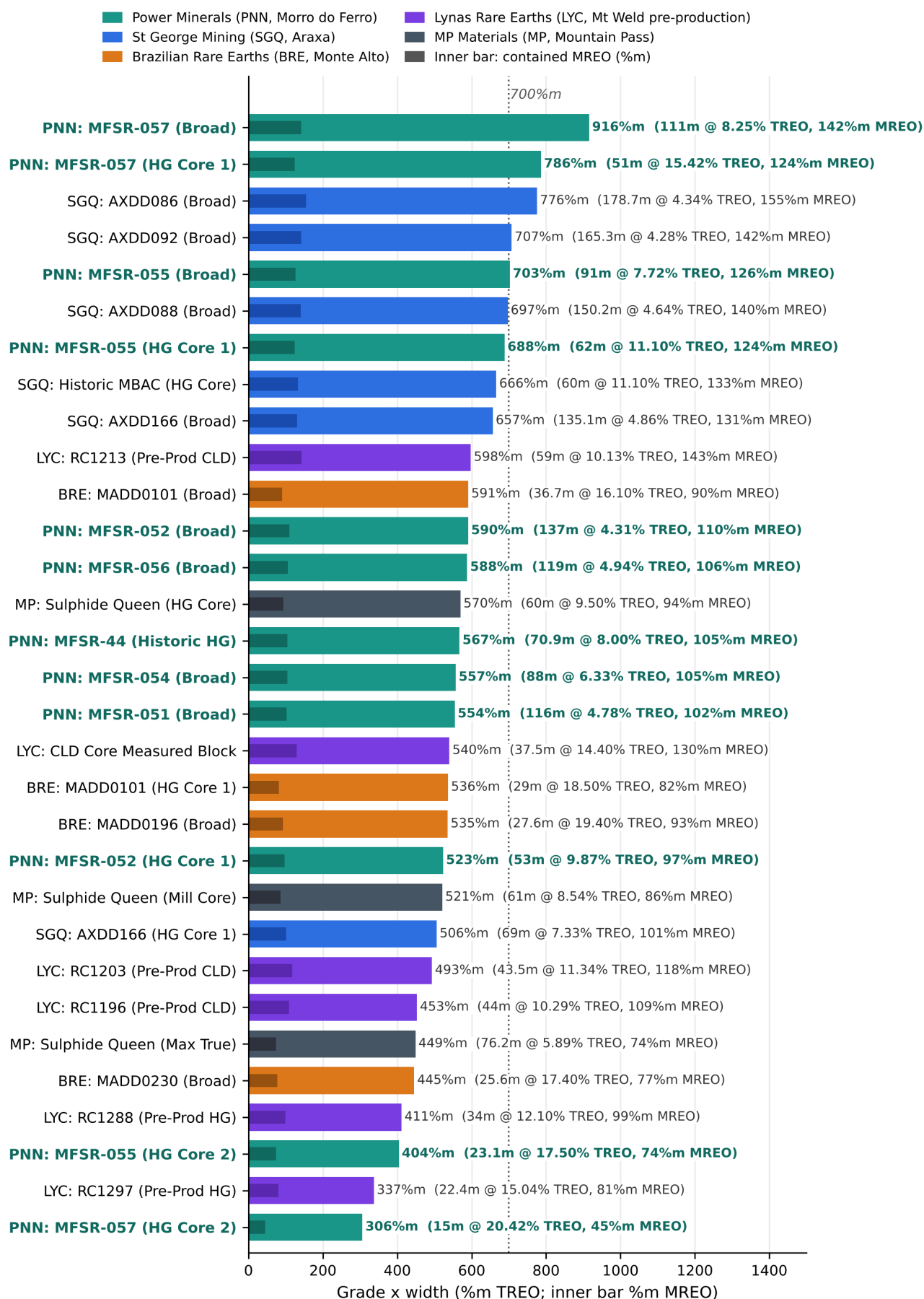
Lynas - Mt Weld pre-production Central Lanthanide Deposit (CLD) benchmarks: Prior to start-up of the mine, Mt Weld's flagship supergene saprolite delivered some outstanding intersections including

- 59.0m @ 10.13% REO (RC1213 = 597.7 %m)
- 43.5m @ 11.34% REO (RC1203 = 493.3 %m)
- 44.0m @ 10.29% REO (RC1196 = 452.8 %m)
- 34.0m @ 12.10% REO (RC1288 = 411.4 %m)
- 22.4m @ 15.04% REO (RC1297 = 336.9 %m)

PNN's high-grade cores in MFSR-057 (51.0m @ 15.42% TREO) and MFSR-055 (62.0m @ 11.10% TREO) match or beat Mt Weld's pre-production thicknesses and grades. PNN's mineralisation in these holes starts at 0m and are within 91m - 137m mineralised envelopes, whereas the Mt Weld mineralisation was beneath 38m to 48m of barren overburden.

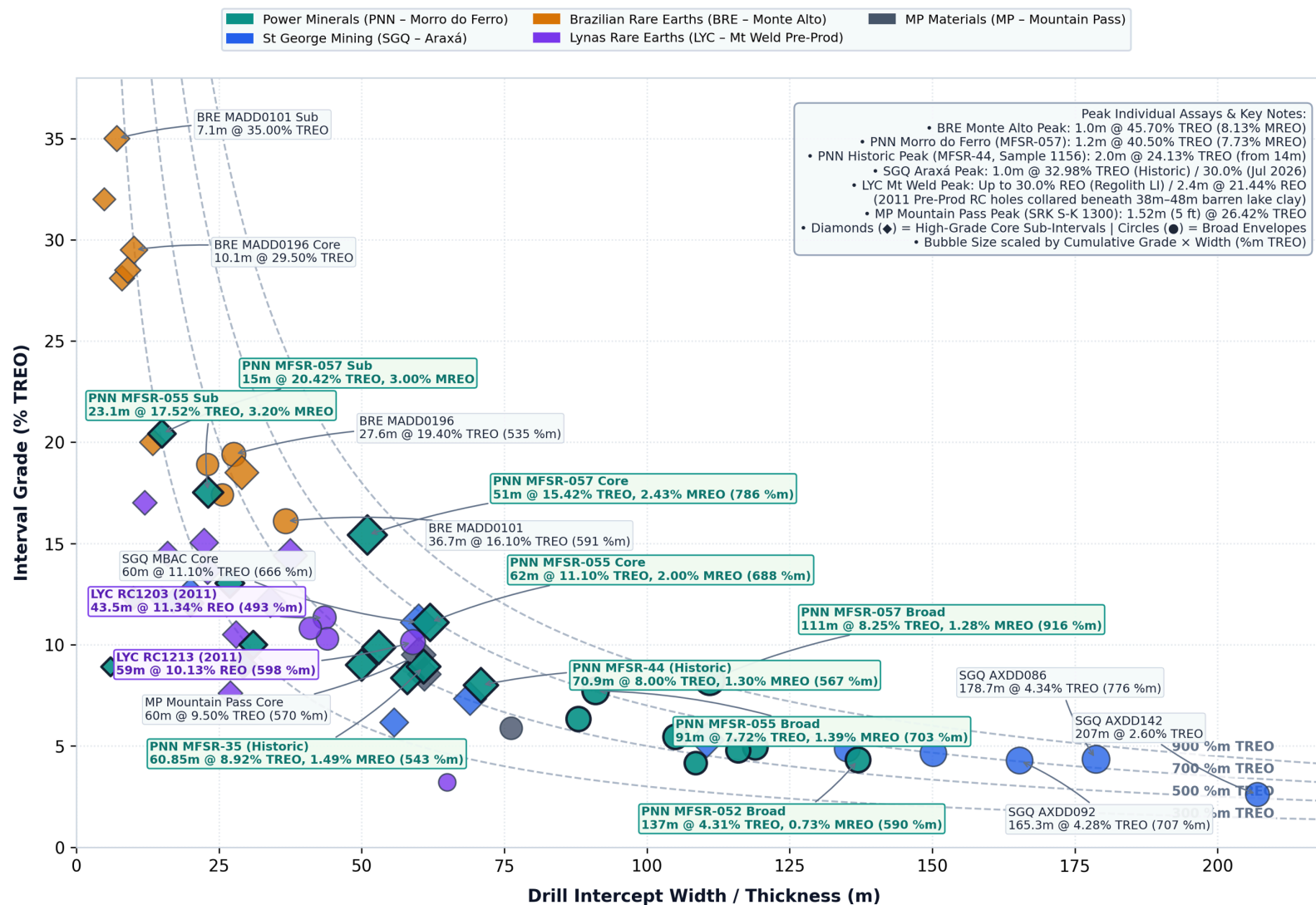
MP Materials - Mountain Pass: Across 233 diamond drillholes (36,156m), the Sulphide Queen carbonatite sill spans 4.6m to 76.2m (15–250 ft) in true width, supporting Proven & Probable Reserves of 26.27 Mt @ 5.89% TREO with an MREO/TREO ratio of 16.48% (16.40% NdPr + 0.08% DyTb) and a peak 5-ft (1.52m) drill composite assay of 26.42% TREO. PNN's high-grade cores deliver nearly double Mountain Pass's whole-rock MREO grade (2.00%–3.20% MREO vs. 0.97%–1.57% MREO) in free-digging weathered material rather than fresh rock.

Figure 8: Global rare earth drilling benchmark - Top intercepts by grade x width (%m TREO), PNN vs LYC, MP, SGQ and BRE



Source: MST

Figure 9: Global High-Grade Rare Earth Drilling - Grade vs Width - The MDF Sweet Spot vs Peers (LYC, MP, SGQ, BRE)



Source: MST

Report prepared by MST Access, a registered business name of MST Financial Services Limited ABN 54 617 475 180 AFSL 500 557.

Taken together, benchmarking MDF directly against the pre-mining profiles of the Western world's two tier-one producers highlights the compelling nature of Power Minerals' early drilling results. Intersecting high-grade core zones of 51m to 62m @ 11.1% to 15.4% TREO, with peak sub-intervals reaching 40.5% TREO (and 7.73% MREO) that comfortably surpass the peak drill core composites recorded at both Mt Weld (30.0% REO) and Mountain Pass (26.42% TREO), is an exceptional outcome for a project still in its resource definition phase. Importantly, whereas Lynas had to strip ~40m to 50m of barren lake sediments to reach its supergene blanket and MP Materials must drill and blast fresh hard-rock carbonatite, PNN's mineralisation starts directly at surface inside continuous, free-digging weathered envelopes that are 91m to 137m thick.

From an open-pit mining perspective, combining Mt Weld-equivalent core grades, higher peak tenors, and double the whole-rock magnet rare earth content of Mountain Pass with a free dig zero-strip orebody provides Morro do Ferro with an outstanding foundation for project economics.

Further detail on the benchmarking of PNN's drilling can be found in Appendix 1.

Occupying the "Sweet Spot" Between Araxa and Monte Alto

Plotting Interval Grade (% TREO) against Drill Width (m) (Figure 9, panel B) shows how the three leading Brazilian discoveries offer distinct geological characteristics each with different advantages:

- **St George Mining (Araxa):** Dominates in terms of its thickness with a massive, deeply weathered carbonatite blanket extending 135m to 207m vertically from surface at consistent broad grades of 4.3% to 4.9% TREO.
- **Brazilian Rare Earths (Monte Alto):** Dominates the grade domain with discrete, stacked hard-rock cumulate (CAB) lenses that are narrower (7m to 37m wide) and frequently deeper (85m to 190m down-plunge), but carry extraordinary grades of 16% to 35% TREO.
- **Power Minerals (Morro do Ferro):** MDF is in a central-upper "Sweet Spot", that combines Araxa-like triple-digit broad thicknesses from surface (111m to 137m) with Mt Weld- and Monte Alto-style double-digit high-grade cores (e.g., 51.0m @ 15.42% TREO in MFSR-057 and 62.0m @ 11.10% TREO in MFSR-055).

Bridging the peak-grade gap and the zero-strip advantage

Prior to MDF's hole MFSR-057, BRE's Monte Alto was positioned alone in the >35% TREO assay bracket (with a 45.7% TREO peak). The MDF intersection of 1.2m @ 40.50% TREO and 7.73% whole-rock MREO, within a 15.0m @ 20.42% TREO (3.00% MREO) sub-interval, demonstrates that MDF's weathered alkaline stockwork hosts ultra-high-grade rare earth veins approaching Monte Alto's tenors.

Importantly, unlike Mt Weld (which is positioned under 30m–60m of barren overburden), Mountain Pass (which mines fresh hard-rock carbonatite averaging 5.89% TREO across its 26.27 Mt reserve), or Monte Alto's deeper hard-rock lenses, PNN's mineralisation starts at surface offering what looks likely to be a close to zero-strip, free-digging open-pit profile.

How the valuation gap will be narrowed: Scale & Metallurgy

With PNN's drill intersections now rivalling or exceeding high-grade peers on raw Grade × Width as well as delivering near-surface advantages, closing the valuation gap with SGQ, BRE, LYC, and MP will come down to three clear de-risking milestones:

1. **Resource scale:** Converting the step-out success across the Base, NW (MFSR-057), and NE (MFSR-056) sections into a substantial maiden JORC Mineral Resource Estimate. The initial Exploration Target is a first step to demonstrating scale, this will be built-on over time through ongoing drilling. The maiden Resource is due in Q1 2027.
2. **Pure-play REE economics vs. co-product credits:** Unlike SGQ (which contains 630,000t of Nb₂O₅ grading 0.57% Nb₂O₅ next to CBMM) and BRE (which models ~362tpa of separated U₃O₈ yellowcake alongside niobium, scandium, and tantalum), MDF is a shaping up as a pure-play rare earth deposit. However, its exceptional whole-rock magnet rare earth grades (2.0% to 3.2% MREO across 15m–62m core intervals) provide an elevated dollar value per tonne of material mined, so building scale will also serve to offset the gap to deposits with by-product credits.
3. **Metallurgical beneficiation and thorium deportment:** Because MDF is a deeply weathered lateritic/saprolite system (not an ionic clay), the key technical catalyst ahead is demonstrating successful processing of its rare earth minerals (primarily bastnasite, with minor amounts of monazite and cheralite), while confirming that thorium deportment into the concentrate remains well within commercial offtake limits.

Company Background and History

PNN was incorporated in 2002 and listed on the ASX on 15 April 2005 as PepinNini Minerals, raising A\$4.5M at A\$0.20 per share. For much of its history the company was a South Australian explorer (Musgrave nickel-copper, Eyre Peninsula kaolin-halloysite) before building a lithium brine portfolio in Salta Province, Argentina. The Salta project spans five salars and hosts JORC Resources totalling 714.8kt LCE, including a Measured and Indicated Resource of 235.1kt LCE at Incahuasi. The company also holds the Santa Inés copper-gold project in Salta.

From 2024 PNN pivoted toward Brazilian critical minerals. It acquired the Litio niobium-tantalum project in August 2024, and took an option over the Santa Anna niobium-REE-gallium carbonatite project in Goiás in April 2025, completing that acquisition in December 2025. An option over the Gamma heavy rare earths and uranium project in California was taken in October 2025 but not exercised after due diligence. PNN listed on the US OTCQB (PEIMF) in December 2025. In January 2026 the Rincon lithium joint venture with Navigate Energy was terminated and PNN regained 100% of Rincon, and in March 2026 PNN signed a non-binding term sheet with Summit Explore for the development of the wider Salta portfolio. This recent corporate history reflects an active and disciplined management team, which has most recently delivered the company defining acquisition of MDF.

This defining transaction came in March 2026, with PNN entering a binding LOI to acquire MDF, backed by a A\$10.25M placement at A\$0.105. Due diligence was completed in April 2026 and the acquisition closed via the purchase of 100% of MTR a private Brazilian company. Initial consideration shares were issued on 26 June 2026. Alistair Stephens, former CEO of Arafura Rare Earths and Lindian Resources, was appointed CEO in March 2026. Maiden drilling commenced in June 2026, a A\$1.7M strategic placement was undertaken at A\$0.145 in June. In late July, the first MDF assays were released including 116m at 4.31% TREO firmly establishing the potential for it to be an exceptional rare earths deposit. In September 2026 PNN secured priority project status for MDF and released its maiden Exploration Target. In late September, the first hole on a second section line (MFSR-056), returned 119m at 4.94% TREO from surface. MDF is now the clear focus, with Santa Anna and Salta secondary and the Australian assets non-core.

Figure 10: Recent Corporate History

Date	Event
Aug-24	Acquired Litio niobium-tantalum project, Brazil (impaired to nil in FY26)
Apr-25	Option over Santa Anna niobium-REE project, Goiás (completed Dec 2025)
Oct-25	Option over Gamma HREE-uranium project, California (not exercised)
Dec-25	OTCQB listing (PEIMF)
Jan-26	Rincon JV with Navigate Energy terminated; PNN regains 100%
Mar-26	Binding LOI for Morro do Ferro; A\$10.25M placement at A\$0.105; Alistair Stephens appointed CEO; Summit Explore term sheet for Salta
Apr-26	MDF due diligence completed; Definitive Agreement executed
Jun-26	Maiden MDF diamond drilling commences; A\$1.7M strategic placement at A\$0.145; initial consideration shares issued
Jul-Sep 2026	First four MDF holes reported; Minas Gerais priority project status; maiden Exploration Target announced
Sep-Oct 2026	MFSR-056 returns 119m at 4.94% TREO on a second section line; Santa Anna pyrochlore mineralogy reported

Source: MST, PNN

Capital Structure, Balance Sheet, Share Register

PNN held A\$7.5m in cash at 30 June 2026 with no borrowings. In FY26 PNN received A\$19.5m in equity proceeds (A\$18.4m net of costs), including four placements totalling ~A\$18.25M. PNN has 437.7m shares on issue, 138.9m options and 92.5m performance rights, for a fully diluted share count of 666.1m. The performance rights are largely tied to VWAP hurdles of \$0.10-30. The 103m PNNOA options exercisable at A\$0.10 to December 2029 are in the money and represent ~A\$10m of potential funding. The balance of the options are out of the money at present.

Figure 11: PNN securities on issue

Security Type	Number (m)	Expiry Date	Exercise Price	Funding (A\$m)
Perf Rights	89.5			
Options	3.0	31-Dec-26	0.75	2.25
Options	32.9	05-Jun-29	0.30	9.86
Options	103.0	31-Dec-29	0.10	10.30
Total	228.4			22.4
Ordinary Shares on Issue	437.7			
Total Fully Diluted Securities on Issue	666.1			

Source: PNN, MST

Deferred Morro do Ferro consideration

PNN paid A\$3.0m cash and issued A\$3.0m in shares (33.3m shares at \$0.09) as initial consideration for MDF plus a 13% facilitation fee. The remaining consideration is contingent on time and project milestones. These deferred tranches total A\$5m cash and A\$5.0m in shares, and are due from 2028 to 2031. Shares are issued at a deemed price of \$0.09. A further A\$1.5m cash is payable on a Resource of 20Mt at 4% TREO. PNN retains a penalty-free right to withdraw before any milestone falls due. Vendors can elect to receive up to 80% of each cash tranche in shares at a fixed A\$0.09 per share. The payment structure is outlined below.

Figure 12: MDF milestone payment summary

Milestones (earlier of)	Cash (A\$m)	Shares (A\$m)
12 months after closing, or maiden JORC Resource of 10Mt at 2.5% TREO	2.5	2.5
24 months after closing, or grant of mining and environmental licensing	1.75	1.75
36 months after closing, pre-BFS milestone, or LOI with a financing partner for product	1.75	1.75
60 months after closing, or completion of a BFS	1.5	1.5
JORC Resource of 20Mt at 4% TREO	1.5	-
Total deferred	9.0	7.5

Source: MST, PNN

Share register

PNN has a primarily retail-oriented shareholder base, with no substantial holders and a top 20 that hold 36.1% of the register. Several Brazilian individuals and entities appear in the top 20, which we expect includes recipients of MDF consideration shares; 11.1m shares held by Luiz Antonio Vessani are subject to voluntary escrow until 5 December 2026. Summit Nanotech, PNN's proposed Salta partner, holds 1.4%. Directors hold ~2.3m shares (~0.5%) directly, with alignment coming mainly through 37.0m performance rights, while CEO Alistair Stephens holds 3.0m performance rights. Tribeca Investment Partners participated in the October 2025 placement investing A\$3.7m for 37m shares but are no longer substantial.

The Morro do Ferro Rare Earth Project

MDF is a 100%-owned, high-grade rare earth deposit located near the centre of the Poços de Caldas alkaline complex in southern Minas Gerais, ~13km southeast of the city of Poços de Caldas and ~200km north of São Paulo. It is held under a single Manifesto de Mina mining title covering 300.72ha. The title is classed as real property, conferring both surface land rights and mineral rights, with no expiry provided the relevant taxes are paid. PNN holds the title through its 100% ownership of the former vendor company, MTR.

The location is a clear advantage. Poços de Caldas has a population of ~150k, a commercial domestic airport, all-season road access and rail connectivity, strong electrical distribution infrastructure and access to Atlantic coast ports. The region hosts established bauxite and clay operations and has become the centre of Brazil's emerging ionic clay rare earth industry. MDF shares its western boundary with VMM's Colossus South Complex, which hosts an Indicated Resource of 157Mt at 2,947ppm TREO. The site itself is covered by a eucalyptus plantation scheduled for harvest, which should limit native vegetation clearing requirements.

Figure 13: Morro do Ferro Project Location



Source: PNN

Project history

MDF was discovered in 1953 through follow-up of a strong radiometric anomaly from regional airborne surveys. The first systematic exploration program in 1956 comprised 77 shallow 'Empire' holes (10m to 18m deep), 18 diamond holes for 1,165m (to 125m), a 210m adit along strike and five cross-cutting trenches. The program targeted uranium and was abandoned due to low uranium values. Urânio do Brasil drilled a single 463.5m angled diamond hole in 1975, and nine diamond holes were completed in 1981 as part of a groundwater study. Through the 1980s and early 1990s, MDF and the nearby Osamu Utsumi uranium mine were the study sites of the international Poços de Caldas Natural Analogue Project, which used the deposit's thorium and rare earths to model the long-term behaviour of radioactive waste.

MTR undertook the first modern rare earth exploration. In 2011 it drilled 106 vertical auger holes for 847m on ~40m spacing along sections 100m to 120m apart. In 2012 it drilled 18 diamond holes for 2,007m, followed in 2014 by 32 infill diamond holes for 2,150m, taking the modern diamond database to 50 holes and 4,158m. All samples were assayed and 406 bulk density measurements averaged 1.68t/m³. Three preliminary metallurgical test programs were assessed between 2012 and 2016, and a 2023 University of Sao Paulo mineralogical study identified bastnasite and cerianite, with minor monazite, as the main rare earth minerals.

PNN's due diligence included six verification samples from three historical holes, selected across the range of historical grades and depths. They returned up to 14.03% TREO and 2.64% MREO and correlated well with the historical results.

Geology and mineralisation

The Poços de Caldas complex is a large, roughly circular Mesozoic alkaline intrusion ~33km across and ~800km² in area, made up mainly of phonolites and nepheline syenites. MDF is located almost at its centre, in hydrothermally altered 'potassic rocks' overprinted by very deep lateritic weathering. The mineralisation is capped by a stockwork of magnetite and goethite veins that has protected the underlying clay-rich host from erosion. The deep weathering profile commonly exceeds 150m, and mineralisation continues into fresher material at the limits of drilling. Core from PNN's drilling has been described as clay phonolite saprolite (MFSR-056), consistent with academic descriptions of altered phonolite host rocks, and PNN now points to a possible link between the rare earth carbonate mineralisation and a potential hydrothermal system. Narrow, low-grade magnetite dykes cut the mineralised profile.

The rare earths are hosted mainly in fine-grained bastnasite and cerianite, with minor monazite. Academic studies describe the historical thorium-REE orebody as NW-SE elongated clay lenses extending from the hilltop down the southeastern slope. PNN's 2026 drilling has defined three distinct zones in MFSR-054: an extremely high-grade near-surface zone, a moderate-grade transition zone and a newly identified deep high-grade zone. The deeper zone potentially points to a primary mineralising system beneath the supergene enrichment, a notable development that could extend mineralisation below the weathered profile and add scale. Radiometric response correlates strongly with TREO grade (+0.87 across 3,241 samples), which supports geophysical targeting but also underlines the association between thorium and the rare earth mineralisation.

Historical drilling and PNN's maiden program

The historical diamond holes were all drilled at -60° toward the southwest, averaging ~83m deep, with most ending in mineralisation. Highlights, reported as weighted averages over the full hole from surface to end of hole with no cut-offs, are listed below.

Figure 14: Selected historical diamond drill results (surface to end of hole)

Hole	Interval (m)	TREO (%)	MREO (%)	Comment
MFSR-35	60.9	8.92	1.49	Incl. 30.9m at 2.10% MREO from 15.1m
MFSR-44	70.9	8.00	1.3	Incl. 2m at 24.13% TREO from 14m
MFSR-20	60.6	7.02	1.31	Incl. 2m at 16.31% TREO from 26m
MFSR-46	60.0	5.39	-	
MFSR-10	100.4	4.99	0.95	Incl. 19.3m at 2.25% MREO from 25m
MFSR-32	70.7	4.50	-	Incl. 2m at 3.03% MREO from 12m
MFSR-38	80.3	4.33	-	
MFSR-36	100.1	3.98	-	Last sample 2.87% TREO at 98m
MFSR-04	100.2	2.99	0.61	Incl. 21.35m at 1.44% MREO from 41m

Source: PNN

PNN commenced its maiden drill program in June 2026, completing the acquisition, mobilising and starting drilling in less than two months. The program comprises ~4,000m of diamond drilling to test depth and extensions, plus 800m of larger-diameter diamond holes for metallurgical testwork. By early October, 18 holes (MFSR-051 to MFSR-068) had been completed for ~3,200m, ranging from 81m to 314m in depth. Most holes are drilled at -60° toward the southwest along a base section and a second section line (NW-01) 57m to the northwest, with MFSR-053 drilled vertically and MFSR-054 drilled toward the northeast. Three twin holes drilled within 4m of historical holes returned a modest mean grade offset of -6.6%. To date assays have been received for seven holes, summarised below.

Figure 15: PNN 2026 first seven holes reported

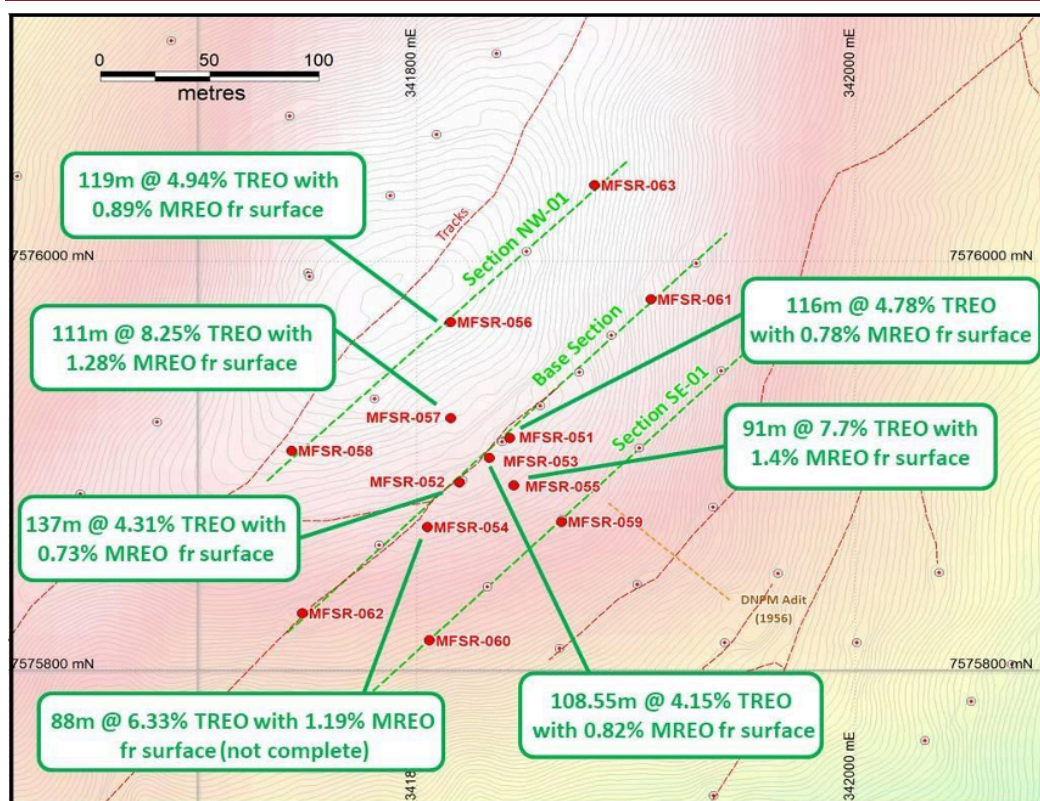
Hole	Headline interval	Key sub-interval	Notes
MFSR-051	116m at 4.78% TREO, 0.78% MREO from surface	31m at 10.0% TREO, 1.58% MREO from 14m	Peak 2m at 18.12% TREO, 3.66% MREO
MFSR-052	137m at 4.31% TREO, 0.73% MREO from surface	26.9m at 13.0% TREO, 2.40% MREO from 19m	Includes 53m at 9.87% TREO; peak 2m at 19.51% TREO, 3.96% MREO
MFSR-053	108.55m at 4.15% TREO, 0.82% MREO from surface	6.45m at 9.34% TREO, 2.87% MREO from 69.55m	Peak 1.45m at 13.84% TREO, 4.40% MREO
MFSR-054	88m at 6.33% TREO, 1.19% MREO from surface	20m at 12.05% TREO, 2.18% MREO from 18m	9m at 2.78% TREO from 181m; 19.8m at 1.38% TREO from 222.2m, incl. 2m at 6.88% TREO, 1.07% MREO from 240m
MFSR-055	91m at 7.72% TREO, 1.39% MREO from surface	23.1m at 17.52% TREO, 3.20% MREO from 13m	Between sections; incl. 62m at 11.07% TREO, 1.99% MREO from surface; peak 2m at 22.62% TREO, 4.32% MREO from 25m; lower portion pending
MFSR-056	119m at 4.94% TREO, 0.89% MREO from surface	10m at 12.31% TREO, 1.88% MREO from 41m	Section NW-01; 39m at 4.42% TREO from 80m; 119m to 202.2m EOH pending
MSFR-057	111m at 8.25% TREO, 1.28% MREO from surface	51m at 15.42% TREO, 2.43% MREO from 24m	Between sections; also includes 15m at 20.42% TREO with 3.0% MREO and peak 1.2m at 40.5% TREO

Source: PNN

Continuity off the central section: MFSR-055, MFSR-056, MSFR-057

PNN's first four holes tested a single section through the centre of the deposit. The next two holes step off it in opposite directions: MFSR-055 lies ~18m southeast of the base section and MFSR-056 is the first hole on section NW-01, 57m northwest of and upslope from the base section. MSFR-057 lies between the base section and the NW-01 section. All holes intersected thick, high-grade mineralisation from surface, which supports continuity across a ~75m-wide corridor perpendicular to the section lines. These holes were included from the Exploration Target.

Figure 16: Drilling extending beyond base section



Source: PNN

MFSR-055 was drilled to 153.7m at -60° toward the southwest. It had delivered some of the highest grades on the project to date (prior to MSFR-057):

- 91m at 7.72% TREO and 1.39% MREO from surface, including
 - 62m at 11.07% TREO and 1.99% MREO from surface and
 - 23.1m at 17.52% TREO and 3.20% MREO from 13m.

Individual samples include 2m at 22.62% TREO from 25m, the second-highest TREO sample at MDF, and 2m at 22.38% TREO with 4.60% MREO from 19m, the highest MREO sample from PNN's 2026 drilling.

MFSR-056 is the first hole on section NW-01, 57m northwest of and upslope from the base section, and was drilled to 202m. Results received to date cover surface to 119m and returned:

- 119m at 4.94% TREO and 0.89% MREO, including
 - 98m at 5.09% TREO and 0.89% MREO from surface and
 - 10m at 12.31% TREO and 1.88% MREO from 41m.

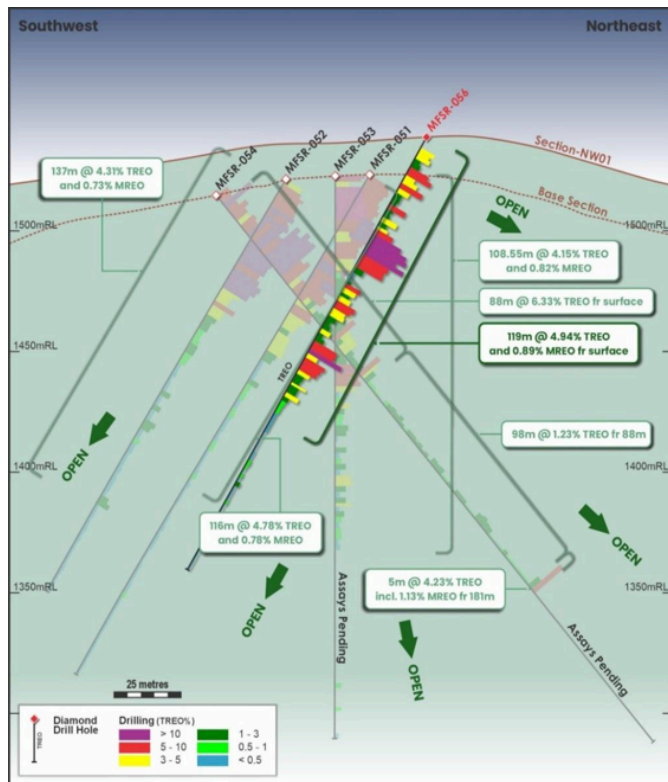
The best individual sample was 2m at 14.28% TREO and 2.65% MREO from 49m. The deepest sample (117m to 119m) still graded 4.61% TREO.

MSFR-057 delivered the best intercepts to date. This hole lies between the base section and section NW-01.

- 111m at 8.25% TREO with 1.28% (or 12,829 ppm) MREO in whole rock from surface, including
 - 51m at 15.4% (or 154,184 ppm) TREO with 2.43% (or 24,338 ppm) MREO from 24m, including
 - 15m at 20.4% (or 204,216 ppm) TREO with 3.0% (or 29,964 ppm) MREO in from 42m
 - 1.2m at 40.5% (or 404,930 ppm) TREO with 7.73% (or 77,270 ppm) MREO

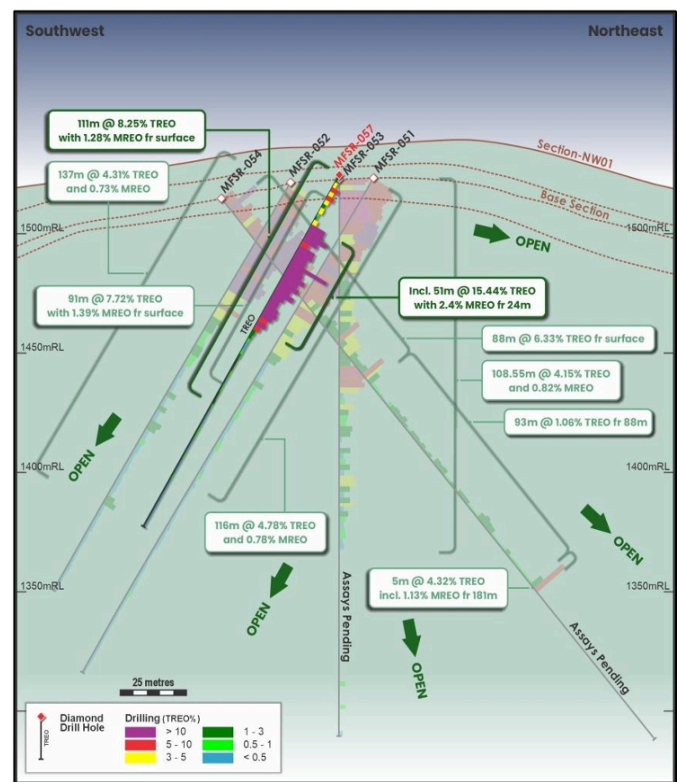
We see these holes as delivering important results, proving up continuity away from the base section, and supporting PNN's interpretation, built into the Exploration Target, that the high-grade zone continues beyond the base line sections.

Figure 17: Cross section MSRF-056



Source: PNN

Figure 18: Cross section MSRF-057

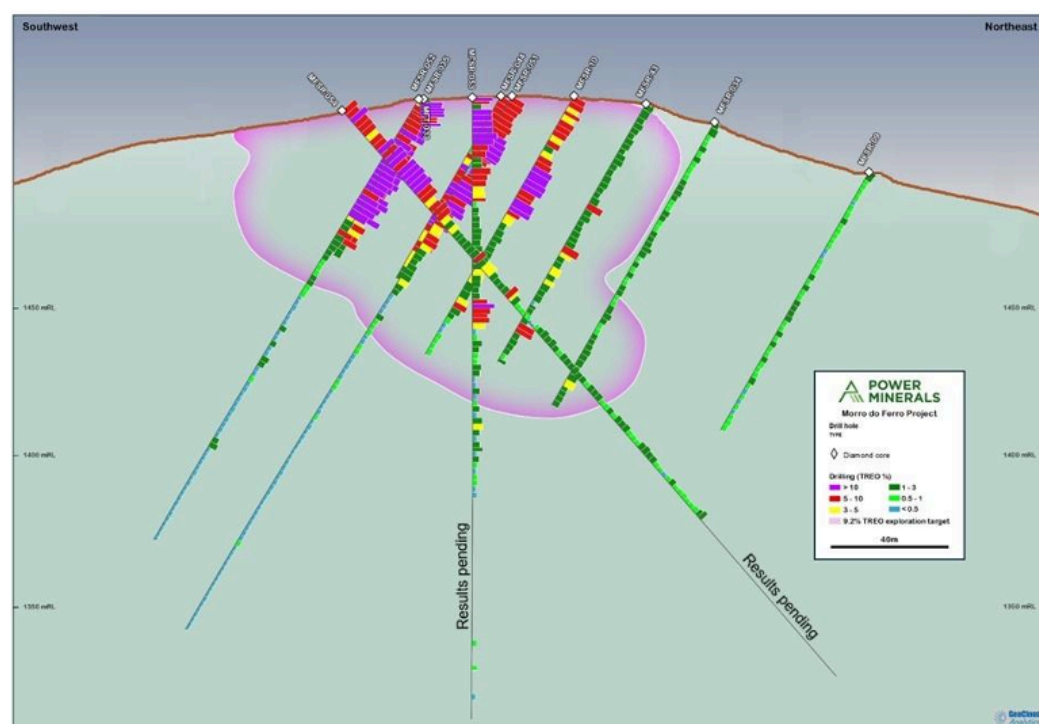


Source: PNN

Maiden Exploration Target

In September 2026 PNN released a maiden Exploration Target of 9.2Mt to 10.7Mt at 7.8% to 9.2% TREO and 1.3% to 1.6% MREO. It is particularly robust for an Exploration Target built on 169 drillholes and 3,241 assays over 5,696m. The two grade shells are nested, so the higher tonnage corresponds to the lower grade. The MREO estimate applies a grade-shell-specific ratio of 17.2% to 17.4% of TREO rather than the deposit-wide 18.2%, a conservative approach. Close to 60% of the target tonnage (5.2-6.4Mt) is supported by drilling, with the remainder a conceptual projection into the undrilled southern lobe to a maximum 200m step-out. Nine diamond holes (MFSR-055 to MFSR-063, 1,158m) within the modelled area were unassayed and excluded.

Figure 19: MDF Exploration Target and drilling



Source: PNN

Mineralogy and product strategy - A potential upgrade pathway

PNN is positioning MDF as a premium magnet rare earth project. Initial mineralogical work indicates that bastnasite-rich mineralisation hosts the majority of the Nd, Pr, Dy and Tb, while lower-value cerium occurs largely in separate cerianite. Analysis of the geochemical database shows ~40% of the non-cerium rare earth inventory comprises the magnet rare earths (Nd, Pr, Dy, Tb and Ho), and PNN estimates Nd, Pr, Dy and Tb account for ~98% of the value of that non-cerium inventory at current prices. To put this another way, if the cerium mineralisation can be removed, the remaining ore is 40% MREO, well above the typical 15-25% MREO range of most hard rock deposits. The priority mineralogical characterisation program under way aims to determine whether cerium and gangue minerals can be selectively removed in mine planning or beneficiation, with the goal of a magnet-enriched concentrate.

Bastnasite is a well-understood, commercially processed mineral. The ability to upgrade the magnet (MREO) fraction before chemical processing would reduce reagent use, capital intensity and the volume of material requiring radiological management. The challenge is that MDF's minerals are fine-grained and hosted in a clay-rich, iron-rich weathered matrix, which typically complicates physical separation.

Metallurgy and processing: the key technical derisking step

No modern metallurgical testwork or flowsheet has been published for MDF. Three preliminary programs were completed between 2012 and 2016. PNN's is undertaking a comprehensive program. Based on the mineralogy, we would expect the flowsheet options to include some combination of beneficiation (potentially magnetic, gravity or flotation separation to reject magnetite, gangue and cerianite), cracking of the bastnasite concentrate (acid bake or alkaline routes), leaching, impurity and radionuclide removal, and precipitation of a mixed rare earth product. The final product could be a mineral concentrate or a chemical intermediate (MREC or MREO).

The processing route will also determine thorium deportment. PNN states that thorium is hosted in mineral assemblages different from bastnasite and may be separable during mining and processing. If thorium can be rejected early, the radiological profile of the product and the downstream plant would be simplified.

Complex metallurgy is very normal for hard-rock rare earths deposits. We see establishing a successful processing pathway as a key near-term de-risking step for MDF.

Radiological characterisation

MDF has been known to contain thorium since its discovery in 1953, and has been studied as a natural analogue for radioactive waste repositories. Early surface work outlined a zone ~500m long and up to ~130m wide averaging ~1% eThO₂. PNN commissioned SA Radiation to assess the deposit as a whole, and it reported an average total activity of 94Bq/g, placing the deposit in Category II (100Bq/g to under 500Bq/g) under Brazilian regulations on a conservative two standard deviation basis.

Thorium will be a consideration for mining and processing, waste management and licensing, which we discuss further in the approvals section. Handling radionuclides is a standard element of most hard-rock rare earth operations, so while it needs to be factored into development considerations, it is something that can be effectively managed.

Mining considerations

The mineralisation starts at surface in soft, deeply weathered material that required triple-tube coring to recover, which points to free-dig open pit mining with little or no drilling and blasting in the upper parts of the deposit, supporting favourable mining costs. The deposit is located on a hill, in a compact ~300ha area, and the Exploration Target implies a high-grade deposit of modest scale, although we see potential upside beyond this envelope given historic results outside the Exploration Target as well as PNN drilling that shows potential depth extensions. Given the grade of the deposit, the scale of the mining operation does not need to be large, we would expect it to be significantly lower than the district's clay projects, which require the movement of several million tonnes of ore a year.

Figure 20: Drilling at MDF showing topography and eucalyptus plantation scheduled for harvesting



Source: PNN

Next steps

PNN has outlined a clear, sequenced work program, the next steps include:

- Complete assaying ~12 holes pending - Q4 2026
- Deep diamond drilling (>200m) - Q3 to Q4 2026
- Aircore drilling on untested margins - Q4 2026
- Diamond drilling of geophysical targets MFT-088 and MFT-070 - Q4 2026
- Additional bulk density work and metallurgical testwork - Q4 2026
- Maiden Mineral Resource estimate - Q1 2027
- Engagement with SUPPRI, FEAM and SEDE on baseline studies and EIA/RIMA scope - H1 2027

Morro do Ferro Among ASX-Listed Brazilian Rare Earth Peers

Brazil has become the most active rare earth exploration and development jurisdiction for ASX-listed companies. The peer group splits into two broad styles: ionic clay projects (MEI, VMM, AXL, BCM), which are larger in tonnage, low in grade and simpler to process, and higher-grade hard-rock or carbonatite-related projects (BRE, SGQ and PNN), which require more complex processing but move far less material.

Figure 21: ASX-listed Brazilian rare earth projects

Company	Project (State)	Style	Resource	TREO grade	MREO grade	Study stage	Licensing / timing
PNN	Morro do Ferro (MG)	Supergene / bastnasite	ET 9.2-10.7Mt	7.8-9.2%	1.3-1.6%	Exploration; MRE H1 2027	Priority status Sep 2026
BRE	Monte Alto (BA)	Hard rock	3.40Mt	11.30%		Scoping (Aug 2026)	FID mid-2029; production 2031 target
SGQ	Araxa (MG)	Carbonatite (weathered)	111.2Mt	~3.6%		Pre-study; Worley adviser	
MEI	Caldeira (MG)	Ionic clay	1.6Bt	2,317ppm	~23% of TREO	PFS (Jul 2025); DFS pending	LP Dec 2025; LI targeted Q4 2026
VMM	Colossus (MG)	Ionic clay	473Mt	2,505ppm	592ppm	DFS (Aug 2026); capex US\$449M	LP Dec 2025; LI lodged May 2026; production 2028 target
AXL	Caladão (MG)	Ionic clay (ISR)	708.6Mt	1,443ppm		Resource; ISR field trial Q4 2026	
BCM	Ema (AM)	Ionic clay (ISR)	1,071Mt	732ppm	190ppm	BFS (Jun 2026); Stage 1 capex US\$74M	

Source: MST, PNN

Brazilian Rare Earths (BRE): The closest analogue

BRE's Monte Alto deposit in Bahia hosts a Resource of 3.40Mt at 11.3% TREO, including 2.51Mt Indicated at 12.7% TREO, with notable heavy rare earth content (810ppm Dy₂O₃ and 150ppm Tb₄O₇). An August 2026 scoping study outlined a hub-and-spoke development with dry crushing and ore sorting at site and a refinery at Camaçari producing ~5.3ktpa of separated NdPr oxide and ~2.3ktpa of heavy rare earth concentrate, with a binding 10-year offtake with Carester. Scoping Study capital costs were estimated at US\$969M, reflecting elevated capital intensity as a result of the plan to produce separated oxides as well as uranium yellowcake. C1 costs were estimated at US\$21/kg NdPr-Equiv. Monte Alto annual NdPr production is not far behind Lynas (FY26 7.3kt) and exceeds Mountain Pass (~4ktpa), reflecting the benefit of the exceptional Monte Alto grade. In tonnage, grade and radionuclide association, Monte Alto is the closest ASX analogue to MDF, and BRE's progress shows the development path a small, very high-grade Brazilian deposit can follow.

St George Mining (SGQ): Araxa - Not as high grade, but has niobium

SGQ's Araxa project sits in the Barreiro carbonatite complex alongside CBMM's world-class niobium operations. SGQ's August 2026 Resource upgrade reported 111.2Mt at 3.57% containing 3.98Mt TREO and ~630kt Nb₂O₅, with mineralisation from surface in a free-digging weathered profile. Araxa is shaping up as a large-scale, high-grade, weathered carbonatite-related rare earth system in Minas Gerais, with valuable niobium production coming alongside the rare earths (likely produced as an intermediate chemical product such as a Mixed Rare Earth Oxide). While grades are not as high as BRE and PNN, they are elevated compared to most hard rock assets globally and the scale SGQ is building will also support an attractive development.

Meteoric Resources (MEI) and Viridis Mining (VMM): The Pocos de Caldas clays

MEI's Caldeira (1.6Bt at 2,317ppm TREO) and VMM's Colossus (473Mt at 2,505ppm TREO) are MDF's immediate neighbours and the most advanced projects in the district. Both received Preliminary Licences from the State in December 2025. VMM completed a DFS in August 2026 (initial capex US\$449M, pre-tax NPV US\$1.87B), has lodged its Installation Licence application and is targeting production in 2028, with a Solvay LOI for MREC offtake. MEI's DFS was complete in August, capex US\$489M, its pilot plant has recovered 80% MREO and 61% TREO, and it is targeting an Installation Licence in Q4 2026.

For PNN, these projects are valuable benchmarks for the Minas Gerais approvals process, local community acceptance of rare earth mining and the availability of skilled service providers. They also highlight differences between clay and hard rock. They are low-radioactivity, low grade, clay deposits processed by simple desorption. Production parameters reflect the lower grade with MEI processing 6Mtpa for NdPr production of 3.7ktpa, VMM is processing 5Mtpa for ~3ktpa NdPr both in an MREC, while processing volumes are significant, AISC remain attractive (MEI US\$27/kg NdPr, VMM US\$26.7/kg NdPr both net of DyTb by-product credits) reflecting the relative advantages of processing clays.

Axel REE (AXL) and Brazilian Critical Minerals (BCM): In-situ recovery clays

AXL's Caladão project in Minas Gerais' Lithium Valley hosts 708.6Mt at 1,443ppm TREO plus a large gallium Resource, with an ISR field trial planned for the December 2026 quarter. BCM's Ema project in Amazonas hosts 1,071Mt at 732ppm TREO and completed a BFS in June 2026 for an ISR operation producing 5.5ktpa TREO in MREC, with Stage 1 capex of only US\$74M and an AISC of US\$13.02/kg of TREO. Both illustrate the low-capital-intensity and low operating costs achievable via in-situ leaching, even at grades one to two orders of magnitude below MDF.

Non-ASX Brazilian peers

Serra Verde: Pela Ema (Goiás) - A producing ionic clay operation

Pela Ema is the only ionic clay rare earth mine in commercial production outside Asia, and the only producing rare earth mine in Latin America. Phase 1 is designed to produce ~6.4ktpa TREO in a mixed rare earth carbonate with a high proportion of dysprosium and terbium, and debottlenecking is targeting a ~4.0ktpa TREO run-rate by the end of 2026. Serra Verde reports more than US\$1.1B of capital invested in Pela Ema, which entered production in 2024, and has since had a relatively challenged ramp up highlighting the complexity of rare earth production. A Phase 2 expansion that could double run-of-mine production before 2030 is under consideration. The project is underpinned by a US\$565M financing package from the US International Development Finance Corporation (DFC), and a US government-backed special purpose vehicle (SPV) capitalised at US\$1.55B will take 100% of Phase 1 output under a 15-year take-or-pay offtake. The offtake carries floor prices of US\$110/kg for NdPr, US\$575/kg for Dy and US\$2,050/kg for Tb. In September 2026 USA Rare Earth (Nasdaq: USAR) completed its acquisition of Serra Verde for US\$300M cash and 126.8M USAR shares, implying an equity value of ~US\$2.8B.

Aclara Resources (TSX: ARA): Carina (Goiás) - A heavy focused clay developer

Carina is an ionic clay project targeting heavy rare earths. Its April 2026 Feasibility Study is based on a Reserve of 170.8Mt at 1,745ppm TREO, with Measured and Indicated Resources of 260.8Mt at 1,610ppm TREO. At ~9.7Mtpa, it would produce ~4.4ktpa of rare earth oxides in mixed rare earth carbonate (MREC), including 1,191tpa NdPr, 156tpa Dy and 27tpa Tb, over an 18-year mine life. Initial capex is US\$781M including contingency, operating costs are US\$29.2/kg of TREO. Aclara plans to separate the product at its own proposed facility in Louisiana, assessed separately from the Carina economics. First production is targeted for H2 2028.

Implications for MDF

These projects show the scale of capital and Western government support now flowing into Brazilian rare earths, particularly for heavy rare earths with secure offtake. Serra Verde's ~US\$2.8B valuation and Lynas's ~A\$968M offer for MEI also provide transaction benchmarks for the sector. Both, however, are low-grade, high-tonnage ionic clay operations whose appeal rests heavily on dysprosium and terbium. MDF is a different proposition: a high-grade, lost cost, low capex, deposit where value is driven mainly by NdPr, with a much smaller footprint.

Overall, we see MDF as the second-highest grade rare earth deposit held by an ASX-listed company in Brazil, for now it is also one of the least advanced of the group. This combination creates an exceptional opportunity.

Approvals and Regulatory Pathway to Production

Bringing MDF into production will require three broad sets of approvals: mineral rights (federal, via the ANM), environmental licensing (normally State, via SEMAD and FEAM in Minas Gerais, but potentially federal via IBAMA - the national environmental regulator - for radioactive materials), and radiological authorisation (federal, via the National Nuclear Safety Authority, ANSN, which has taken over the regulatory and licensing functions of the National Nuclear Energy Commission, CNEN). Water use grants, municipal land-use certification and dam safety rules also apply. We set out below how each applies to MDF and where we see the critical path.

Mineral rights secured: A strong starting position

Most Brazilian projects progress from an exploration authorisation to a Final Exploration Report and then to a mining concession granted by the ANM, supported by an economic development plan (PAE). MDF instead is tenured to a Manifesto de Mina, a legacy title that recognises pre-existing mining rights as private property. The holder owns both the surface and the mineral rights, the title does not expire provided taxes are paid, and no third-party approvals other than environmental approvals are needed for ground-disturbing exploration. This removes the risk of the mining concession grant step and the land access negotiations that can often slow Brazilian projects. PNN will still need to comply with ANM requirements for mining operations and pay the CFEM federal mineral royalty.

Environmental licensing: the three-stage LP, LI, LO process

Brazilian environmental licensing follows three sequential licences:

1. The Preliminary Licence (LP, Licença Prévia) confirms the environmental viability of the project's location and concept, based on an Environmental Impact Study and Report (EIA/RIMA) and public consultation.
2. The Installation Licence (LI, Licença de Instalação) authorises construction, based on detailed environmental control plans.
3. The Operating Licence (LO, Licença de Operação) authorises operations once conditions are met. Baseline studies typically require at least a full wet and dry season of monitoring.

In Minas Gerais, licensing is administered by SEMAD, with technical review by FEAM and decisions by the relevant State bodies (FEAM or COPAM). MDF's September 2026 agreement with the State applies the priority project framework under State law. This directs licensing to the specialised SUPPRI unit within SEMAD rather than the standard regional queue, with FEAM providing technical review and SEDE and Invest Minas facilitating investment and engagement with State and municipal bodies. Priority status does not grant any licence, tax exemption or financing, and the full EIA/RIMA and LP, LI and LO sequence will still apply. It does, however, provide MDF coordinated State support from an early stage.

VMM and MEI both received their LPs in December 2025. VMM lodged its LI application in May 2026 and also secured a Certificate of Regularity for Land Use and Occupation from the Poços de Caldas municipality, and it is targeting production in 2028. Minas Gerais also applies strict tailings dam rules following the Brumadinho and Mariana disasters, which will favour dry-stack or other low-risk tailings options if possible.

The radiological layer

MDF's thorium content introduces the federal nuclear regulator into the approvals process. Federal regulations classify mining-industrial facilities by the total activity concentration of uranium and thorium. Facilities in Categories I to III (capturing anything >10Bq/g) must obtain ANSN authorisation for the possession, use and storage of these materials, including storage of radioactive residues. The category is set by the material with the highest total activity. ANSN issues a preliminary classification, with the final classification set after inspection during operations.

Based on historic work, MDF's is classified as Category II (>100Bq/g) on a conservative basis (it measured 94Bq/g average). Beneficiation that upgrades the rare earths could also upgrade the thorium in a concentrate or residue, potentially lifting the facility to Category I, unless the thorium can be separated early as PNN hopes (via its potential associated with cerium). The Union (the federal Government) is responsible for the environmental licensing of activities that research, mine, produce, process, transport, store or dispose of radioactive material, subject to a ANSN opinion.

ANSN, (which assumed CNEN's regulatory functions), has recently applied this test in the district. In October 2025 it confirmed that two rare earth projects in Poços de Caldas, which we expect were the ionic clay projects of MEI and VMM, sit below the exemption limit (10Bq/g) and therefore fall outside federal licensing requirements, leaving environmental licensing with the State. MDF's deposit-level classification of Category II places it above that threshold, applying the same reasoning would suggest that ANSN would determine MDF will fall within federal licensing, as would be expected given the regulations. How the State priority pathway and the federal oversight of radioactive materials interacts will be determined as the project advances.

Separately, the Constitution gives the Union a monopoly over nuclear minerals, including thorium, via the state-owned INB. The relevant regulations allow INB to partner with private companies, and requires a miner that encounters nuclear minerals alongside its target commodity to notify INB and either deliver the nuclear component to INB or dispose of it as a reject.

We would also note that Poços de Caldas has extensive experience with radioactive materials through the former Osamu Utsumi uranium mine and CNEN's laboratory in the city.

Indicative pathway to production

The table below sets out our indicative view of the steps to production at MDF. This is an MST view and not company guidance. Benchmarking against VMM (LP roughly five months after its PFS, with production targeted around 2.5 years after LP) and allowing for the additional radiological workstream and MDF's earlier stage, we expect an LP around 2028, and first production towards the end of the decade.

Figure 22: MDF indicative approvals and development pathway (MST view)

Step	Responsible body	Status	Indicative timing
Maiden JORC Mineral Resource	PNN	Drilling under way	H1 2027
Mineralogy, metallurgy and flowsheet selection	PNN	Under way	2027
Radiological characterisation of process streams; CNEN preliminary classification	PNN / CNEN, ANSN	Deposit-level study complete	2027
Confirm licensing jurisdiction (State SUPPRI/FEAM or federal IBAMA)	SEMAD / IBAMA / CNEN	Open question	2027
Environmental and social baseline (wet and dry season)	PNN consultants	Scoping with SUPPRI/FEAM to follow Resource	2027 to 2028
Scoping study and PFS	PNN	Not commenced	2027 to 2028
EIA/RIMA or RAS, public hearing and LP	FEAM/COPAM or IBAMA	Not commenced	2028 onward
DFS, LI, CNEN authorisation, water use grants (IGAM), municipal land-use certificate	Various	Not commenced	Post LP
Construction, LO and first production	Various	Not commenced	End of decade

Source: MST

Other Projects

PNN holds several other projects in its portfolio, however, following the successful drilling at MDF this is now its clear priority. The additional projects are unlikely to attract material spending by PNN, we see them as a possible source of future funding via potential divestment.

Santa Anna Niobium and Rare Earths Project

Santa Anna is a 100%-owned niobium-REE-gallium carbonatite project in Goiás State, central Brazil, ~40km north of Nova Crixás and ~335km northwest of Brasília. It covers ~17km² across two ANM exploration permits and is held in partnership with Brazilian miner EDEM, which discovered the complex in 2021 and retains a focus on its phosphate potential. The project sits on flat, cleared farmland with sealed road access and nearby power infrastructure. PNN's core assets is MDF, Santa Anna and the Salta lithium project, provide secondary optionality at this stage, we expect PNN may look to monetise these assets over time to focus on MDF.

PNN took an exclusive option over Santa Anna in April 2025 with the vendor, EDEM, which discovered the project in 2021. After due diligence drilling, PNN completed the acquisition in December 2025, at a cost of A\$2.0m in cash and shares, including a 15% finder's fee. Deferred consideration totals A\$5.0m cash and A\$3.0m in shares. Each tranche falls due at the earlier of a project milestone or a fixed date measured from execution of the agreement:

- A\$1.5m cash and A\$1.0m in shares on a JORC Resource of 20Mt at 0.75% Nb or more, or 24 months;
- A\$0.75m cash and A\$1.0m in shares on grant of a Mining Concession, or 36 months;
- A\$0.75m cash and A\$1.0m in shares on completion of a BFS, or 60 months.

A further A\$1.0M cash is payable on each of a 30Mt and a 35Mt Resource at 0.75% Nb or more. Milestone shares are priced at the higher of A\$0.09 or the 20-day VWAP, a 15% facilitation fee in shares applies to each milestone, and the vendors retain a 2% NSR. PNN can withdraw on 30 days' notice without penalty, but must return the title to the vendors.

Figure 23: Santa Anna Project Location

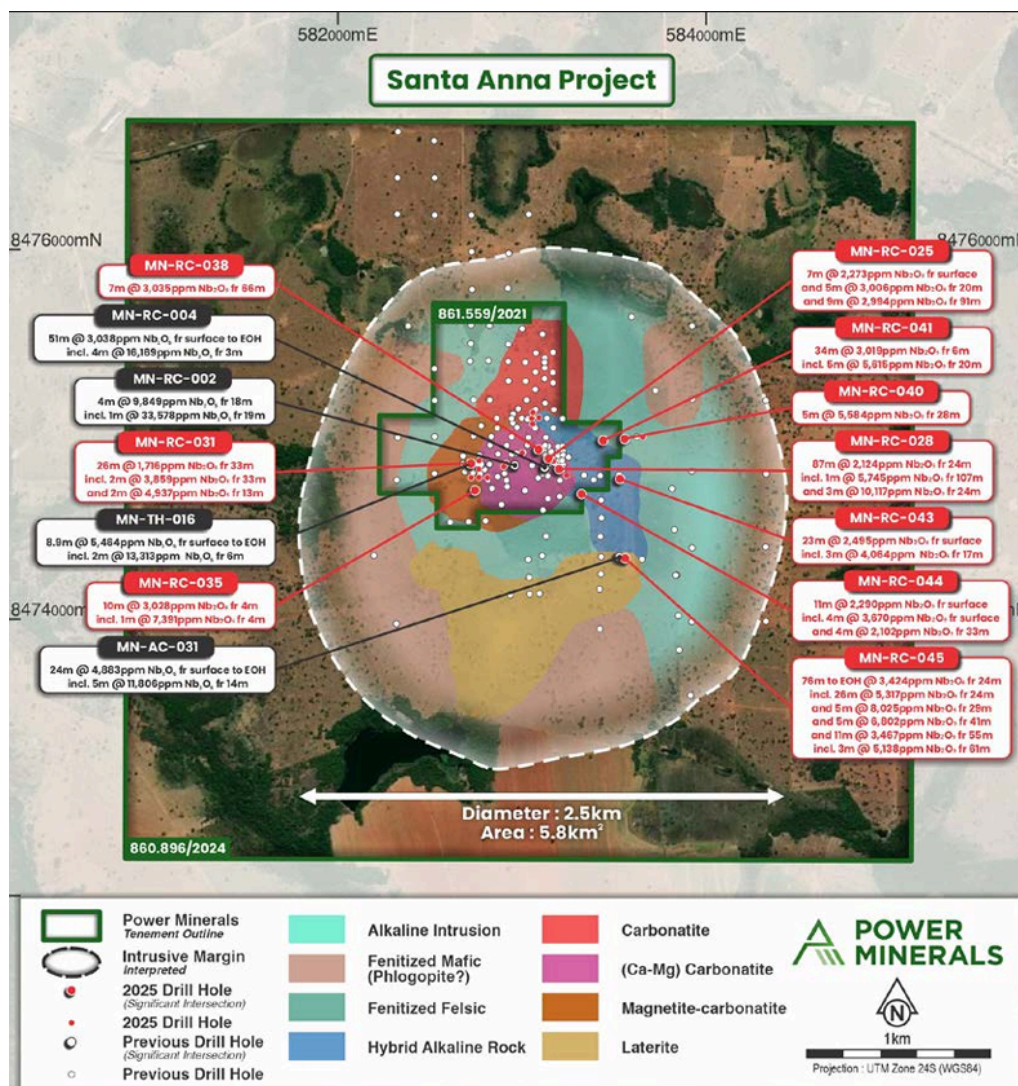


Source: PNN

Drilling and Geology

The complex hosts a weathered cap of outcropping carbonatite, with up to ~30m of soil and saprolite over carbonatite containing magnetite, apatite and carbonates. Previous owners drilled 192 holes with niobium grades up to 3.36% Nb₂O₅. PNN's 29-hole, 2,272m RC program returned results including 87m at 2,124ppm Nb₂O₅ from 24m and 51m at 1.16% TREO from surface, and a shallow auger program returned results including 5m at 1.40% TREO from surface. A 10,000m RC campaign commenced in early 2026 to support a maiden Resource, but drilling was paused to prioritise MDF. PNN is currently running a 100m x 100m soil sampling program over the untested areas surrounding the centre of the complex.

Figure 24: Santa Anna drilling and geology



Source: PNN

Mineralogy confirms niobium-rich pyrochlore

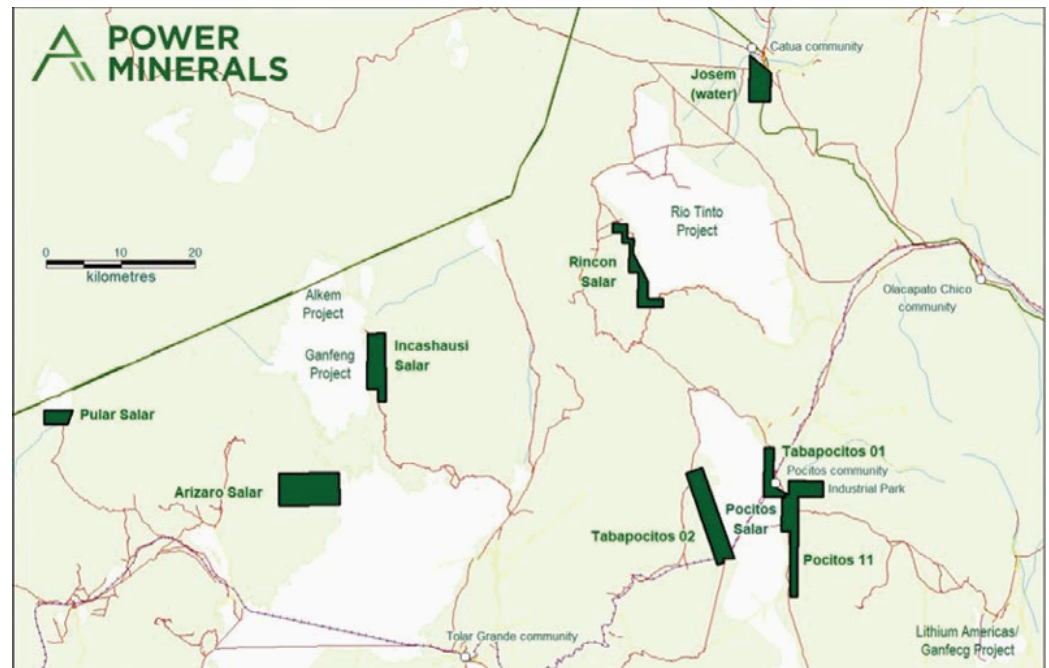
In October 2026 PNN reported the results of a petrographic and mineralogical study of 38 drill core samples from Santa Anna done at the Australian National University. The study confirmed niobium is hosted in pyrochlore, a primary niobium ore mineral. The pyrochlore occurs as euhedral crystals of ~30µm to 300µm, monazite occurs in clusters, and the host rocks comprise phoscorites (apatite, magnetite or iron silicates and tetraferriphlogopite) and calcite-dolomite carbonatite with minor ankerite. Whole-rock results at Santa Anna remain modest over broad intervals, for example 76m at 0.34% Nb₂O₅ from 24m in MN-RC-045 and 87m at 0.21% Nb₂O₅ from 24m in MN-RC-028, with higher-grade zones such as 10m at 1.02% Nb₂O₅ from 2m in MN-RC-0004. However, the studies showed potentially advantageous processing pathways may be possible. Niobium hosted in a single, Nb-rich and well-crystallised mineral lifts the maximum achievable concentrate grade, and it gives PNN a strong basis to advance metallurgical testwork. PNN also plans further geophysics to better understand the distribution of niobium mineralisation.

Salta Lithium brine project, Argentina

PNN's Salta project comprises lithium brine tenements across five salars (Incahuasi, Arizaro, Rincon, Pocitos and Pular) in the Argentine lithium triangle, with JORC Resources totalling 714.8kt LCE. Incahuasi hosts a Measured and Indicated Resource of 235.1kt LCE at 198mg/L Li, and a concept study completed with Summit Nanotech considered on-site brine concentration followed by direct lithium extraction at a central facility at Pocitos using Summit's denaLi technology.

In March 2026 PNN signed a non-binding term sheet with Summit Explore, a subsidiary of Summit Nanotech. Under the proposed structure, Explore would fund up to US\$6m of work to deliver a PFS, earning a 59% interest in a joint venture over PNN's five salars (PNN 41%) on notice to proceed, and would hold an option to acquire the Salta project outright for US\$50m cash during the PFS period. In October 2026 PNN terminated the non-binding term sheet with Summit Explore, and is assessing other options for Salta.

Figure 25: Salta lithium brine project tenements



Source: PNN

Other assets

- **Santa Ines copper-gold (Argentina):** 100%-owned, in the Puna region of Salta along the Archibarca lineament, ~80km southeast of Escondida. PNN relaunched exploration in January 2026 after regaining full control.
- **Litio niobium-tantalum (Brazil):** Adjacent to Summit Minerals' Equador project. PNN impaired this project to nil in FY26 to focus on Santa Anna and MDF.
- **Australia (non-core):** Musgrave nickel-copper-cobalt (South Australia), Eyre Peninsula kaolin-halloysite (South Australia) and the Waterlander niobium-REE application in WA's West Arunta. PNN is assessing options to realise value from these assets.
- **Canada:** Forgan Lake and Gathering Lake mining claims, held under bare trust pending transfer to a Canadian subsidiary.

Board and Management

PNN's board brings technical, capital markets and governance experience. The appointment of Alistair Stephens as CEO added deep rare earth development experience, and the in-country team has been strengthened with a Brazilian country manager, a Brazil director and an engineering manager for MDF.

Stephen Ross - Non-Executive Chairman

Stephen Ross is a geologist, independent consultant and public company director with more than 30 years of experience in the international minerals industry across technical, business development and corporate roles. He has held managing director and technical positions in Central Asia, West Africa and Sri Lanka. He is Managing Director of Desert Metals (DM1) and Chairman of Pinnacle Minerals (PIM), and was previously a director of Summit Minerals and Trigg Minerals. He holds a BSc (Geology) and is a member of the AusIMM and AICD and a Fellow of the Chartered Institute for Securities & Investment.

Mena Habib - Managing Director

Mena Habib has been Managing Director since January 2023. He has extensive experience in management, investment markets, sales and marketing, and is an authorised representative of a Melbourne-based corporate advisory and capital funding firm. He has a strong depth of experience in investment markets, with specific expertise in emerging companies within the mineral resources sector. He is Chairman of Adelong Gold and a Non-Executive Director of Aust China Holdings, and was previously a director of Equinox Resources. Mena has been central to the establishment of PNN's platform for growth.

James Moses - Non-Executive Director

James Moses has more than 30 years of experience in investment markets and media. He is the founder and managing director of an Australian investor relations and corporate communications practice for public companies, was previously Investor Relations Manager for a national public relations firm, and has worked as a business and finance journalist and was the editor of Australia's leading resources sector investor publication. He began his career in the investment market in business development roles with global fund managers. He holds a Bachelor of Business and a Graduate Diploma in Communications-Journalism.

Israel Benchemhoun - Non-Executive Director

Izzy Benchemhoun is a New York-based entrepreneur, investor and business executive with experience building, acquiring and managing private businesses and investment platforms, with expertise in capital allocation, corporate governance, operational excellence and long term value creation. He was appointed in July 2026 and brings extensive experience in capital markets, strategic growth initiatives, and North American investment networks.

Alistair Stephens - Chief Executive Officer

Alistair Stephens has more than 35 years of experience in resource exploration and development, including 22 years specialising in rare earths and niobium. He was Managing Director and CEO of Arafura Rare Earths from 2004 to 2009, advancing the Nolans Bore project to PFS stage, and more recently CEO of Lindian Resources, where he oversaw completion of the Kangankunde feasibility study. His previous experience includes leading complex, multi-site operations (resources to refineries) and project development across South America, Australia, Africa, and Southeast Asia. In addition to these roles, Mr Stephens has been CEO of numerous ASX-listed and private companies over the last 20 years. He joined PNN in March 2026.

Steven Cooper - Global Exploration Manager

Steven Cooper is a Melbourne-based exploration geologist, a Fellow of the AusIMM and Principal Geologist at Orogenic Exploration. He specialises in exploration, geological interpretation, field programs and JORC-compliant reporting, and is the Competent Person for PNN's exploration results.

Appendix 1: Global High-Grade Rare Earth Drilling Benchmarks

Figure 26: Global High-Grade Rare Earth Drilling Benchmarks

Benchmark Metric	Power Minerals (ASX: PNN) Morro do Ferro	St George Mining (ASX: SGQ) Araxá	Brazilian Rare Earths (ASX: BRE) Monte Alto	Lynas Rare Earths (ASX: LYC) Mt Weld (CLD)	MP Materials (NYSE: MP) Mountain Pass
Location & Stage	Poços de Caldas Alkaline Complex, Minas Gerais, Brazil (Resource Drilling / Met Testwork)	Barreiro Carbonatite Complex, Araxá, Minas Gerais, Brazil (Resource Expansion / Pilot Plant & Studies)	Rocha da Rocha Province, Bahia, Brazil (Scoping Complete Aug 2026; Resource Expansion Drilling)	Laverton, Western Australia (Tier-1 Producer; Concentrator & LAMP commissioned 2011–2013)	San Bernardino County, California, USA (Tier-1 Producer; Discovered 1949; 233-Hole Drill Database)
Published JORC / S-K 1300 Resource & Reserves	Maiden JORC MRE Pending (Drilling active across Base, NW & NE step-out sections)	111.2 Mt @ 3.57% TREO & 0.57% Nb2O5 (Aug 2026 JORC MRE at 2% TREO cut-off: 33.2Mt Meas @ 3.81%, 42.0Mt Ind @ 3.50%, 36.0Mt Inf)	Hard-Rock CAB: 3.4 Mt @ 11.26% TREO (1.95% MREO, 0.144% U3O8, 0.33% Nb2O5) Monazite-Sand Cap: 25.2 Mt @ 1.0% TREO	Total MRE: 106.6 Mt @ 4.12% TREO Ore Reserves: 32.0 Mt @ 6.44% TREO (2012 Pre-Production CLD MRE: 14.95 Mt @ 9.8% REO, incl. 6.87Mt Meas @ 12.2% REO)	P&P Reserves (Dec 31, 2025 10-K): 28.96 Mst (26.27 Mt) @ 5.89% TREO (1.03 Mst Proven @ 4.22%; 27.93 Mst Probable @ 5.95%) Excl. MRE: 1.48 Mst (1.34 Mt) Ind @ 3.26% & 9.26 Mst (8.40 Mt) Inf @ 4.12% TREO
Geological Style	Deeply weathered lateritic/saprolite profile over alkaline stockworks & magnetite veins (from 0m surface)	Deeply weathered supergene saprolite blanket (100m–200m+ thick from 0m) over Barreiro carbonatite	Stacked ultra-high-grade hard-rock cumulate lenses (CAB) beneath a shallow monazite-sand saprolite blanket	Supergene saprolite cap (20m–60m thick) beneath 38m–48m of lake sediments, over a primary carbonatite pipe	Tabular, moderately dipping (35°–40° W) primary fresh bastnäsite-barite carbonatite sill (sövite)
Depth to High-Grade Zone	0m (Directly from surface / grass roots; zero pre-strip overburden)	0m (Directly from surface; free-digging saprolite profile extending 120m–207m vertically)	Northern lenses shallow (4.6m–23m); southern/eastern stacked hard-rock lenses plunge 85m–200m+ deep	38m to 48m below natural surface in all 2011 pre-production CLD RC holes (requires overburden pushback)	Outcrops locally at surface; open pit mines dipping tabular hard-rock sill with moderate strip ratio
Headline Broad Intercepts	• 111.0m @ 8.25% TREO & 1.28% MREO (0m, MFSR-057, 916 %m) • 91.0m @ 7.72% TREO & 1.39% MREO (0m, MFSR-055, 703 %m) • 137.0m @ 4.31% TREO & 0.73% MREO (0m, MFSR-052, 590 %m) • 119.0m @ 4.94% TREO & 0.89% MREO (0m, MFSR-056, 588 %m) • 70.9m @ 8.00% TREO & 1.30% MREO (0m, MFSR-44, 567 %m) • 88.0m @ 6.33% TREO & 1.19% MREO (0m, MFSR-054, 557 %m) • 116.0m @ 4.78% TREO & 0.78% MREO (0m, MFSR-051, 554 %m) • 60.85m @ 8.92% TREO & 1.49% MREO (0m, MFSR-35, 543 %m)	• 178.7m @ 4.34% TREO & 0.75% Nb2O5 (0m, AXDD086, 776 %m) • 165.3m @ 4.28% TREO & 0.61% Nb2O5 (0m, AXDD092, 707 %m) • 150.2m @ 4.64% TREO & 0.59% Nb2O5 (0m, AXDD088, 697 %m) • 135.1m @ 4.86% TREO (0m, AXDD166, 657 %m) • 207.0m @ 2.60% TREO (0m, AXDD142, 538 %m)	• 36.7m @ 16.10% TREO (10m, MADD0101, 591 %m) • 27.6m @ 19.40% TREO (114.7m, MADD0196, 535 %m) • 25.6m @ 17.40% TREO (174m, MADD0230, 445 %m) • 23.0m @ 18.90% TREO (84m, MADD0010, 435 %m) • 23.9m @ 17.40% TREO (MADD0140, 416 %m)	• 59.0m @ 10.13% REO (43m, RC1213, Sep 2011, 598 %m) • 43.5m @ 11.34% REO (46m, RC1203, Sep 2011, 493 %m) • 44.0m @ 10.29% REO (38m, RC1196, Sep 2011, 453 %m) • 41.0m @ 10.81% REO (42m, RC1289, Sep 2011, 443 %m) *(Note: 2022 deep fresh-rock pipe hole MWEX10270 hit 1,020m @ 2.22% REO)*	• Up to 76.2m (250 ft) true width across Sulphide Queen orebody @ 5.89% TREO reserve avg (449 %m) or 6.36%–7.98% historic cut-off • Downhole intersections in 233-hole database (avg hole length 176.8m) span 15.2m–76.2m true width
High-Grade Core Sub-Intervals	• 51.0m @ 15.42% TREO (24m, MFSR-057, 2.43% MREO, 786 %m) • 15.0m @ 20.42% TREO (42m, MFSR-057, 3.00% MREO) • 62.0m @ 11.10% TREO (0m, MFSR-055, 2.00% MREO, 688 %m) • 23.1m @ 17.50% TREO (13m, MFSR-055, 3.20% MREO) • 53.0m @ 9.87% TREO (0m, MFSR-052) • 26.9m @ 13.00% TREO (19m, MFSR-052)	• 60.0m @ 11.10% TREO (0m, Historic MBAC hole, 666 %m) • 69.0m @ 7.33% TREO (0m, AXDD166) • 20.0m @ 12.65% TREO (0m, AXDD166) • 110.5m @ 5.29% TREO & 0.75% Nb2O5 (32m, AXDD092) • 92.0m @ 5.37% TREO & 0.64% Nb2O5 (46m, AXDD088) • 17.0m @ 12.16% TREO & 1.00% Nb2O5 (59m, AXDD088) • 15.0m @ 12.27% TREO & 1.61% Nb2O5 (8.05m, AXDD086)	• 29.0m @ 18.50% TREO (10m, MADD0101, 2.84% MREO) • 7.1m @ 35.00% TREO (21.9m, MADD0101, 5.92% MREO) • 10.1m @ 29.50% TREO (MADD0196) • 9.0m @ 28.50% TREO (91m, MADD0010, 4.87% MREO) • 8.0m @ 28.10% TREO (189m, MADD0230) • 4.9m @ 32.00% TREO (MADD0246) • 13.4m @ 20.00% TREO (4.6m, MADD0013, 3.86% MREO)	• 34.0m @ 12.10% REO (46m, RC1288, Sep 2011, 411 %m) • 22.4m @ 15.04% REO (48m, RC1297, Sep 2011, 337 %m) • 23.0m @ 13.67% REO (MWEX10270 Apatite zone, 314 %m) • 28.0m @ 10.50% REO, incl. 8.0m @ 13.12% REO (Ashton discovery hole) • 16.0m @ 14.48% REO (Ashton discovery hole) • 12.0m @ 17.01% REO (47m, RC1311, Sep 2011)	• 60.0m @ 9.50% TREO (570 %m) in central high-grade bastnäsite-barite core • 61.0m (200 ft) @ 8.54% TREO & 1.41% MREO (521 %m) representing typical historical Sulphide Queen mill-feed core
Peak Assay Interval	• 1.2m @ 40.50% TREO & 7.73% MREO (42m, MFSR-057, sample MFP-0821) • 2.0m @ 24.13% TREO (14m, MFSR-44) • 23.4% & 22.5% TREO (MFSR-057 individual samples) • 2.0m @ 22.60% TREO & 4.32% MREO (MFSR-055)	• Up to 33.0% (32.98%) TREO & 8.3% Nb2O5 (Historic MBAC core; up to 5.5% NdPr) • Up to 30.00% TREO (July 2026 diamond drilling) • 4.0m @ 14.14% TREO (AXDD092) & 17.15% TREO (AXDD055)	• Up to 45.70% TREO (Peak 6.96% NdPr + 1.17% DyTb = 8.13% MREO, 1.71% Nb2O5, 0.58% U3O8) • 0.8m @ 36.50% TREO (MADD0246, Peak 6.66% NdPr) • 35.30% TREO (Feb 2026, 5.96% NdPr) • 1.0m @ 32.80% TREO (MADD0230)	• Up to 30.00% REO in upper nodular ironstone/limonite (LI) regolith domain (Geoscience Australia / MRE Tech Notes) • 2.4m @ 21.44% REO (MWEX10270 Apatite zone)	• 1.52m (5.0 ft composite) @ 26.42% TREO & 4.35% MREO (Exact max drill core composite in SRK S-K 1300 Section 11; historic surface outcrops 30%–40% REO)
MREO (NdPr+DyTb) Proportion	~15.5% – 20% of TREO (15.5%–19.8% across broad holes) • Whole-rock MREO: 0.73%–1.49% in broad intervals; 1.56%–3.20% in thick high-grade cores; peaking at 7.73% MREO in MFSR-057	~19% – 20% of TREO (19.09% in Measured MRE; 18%–24% in RC drilling) • Whole-rock MREO: ~0.72% MREO MRE avg: 1.4% – 2.5% MREO in 7%–12% TREO zones	~16.5% – 19.5% of TREO (Hard-rock MRE avg: 17.3% of TREO) • Whole-rock MREO: 1.95% MREO avg (1.86% NdPr + 0.096% DyTb); 2.8% – 5.9% MREO in core hits (peaking at 8.13% MREO)	~23% – 25% of TREO (~24.0% avg across CLD) • Whole-rock MREO: 2.43% – 4.08% MREO across 2011 pre-production RC holes (peaking at 7.20% MREO in LI zone)	16.48% of TREO (SRK S-K 1300 exact split: 12.1% Nd2O3 + 4.3% Pr6O11 = 16.40% NdPr, plus ~0.08% DyTb) • Whole-rock MREO: 0.97% reserve avg; 1.41%–1.57% in core

Source: MST, Company Data

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Chris Drew received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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