Fortuna Metals Limited

Investment Report

September 2025

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Fortuna Metals: A Tier-One Rutile-Graphite Opportunity in Malawi

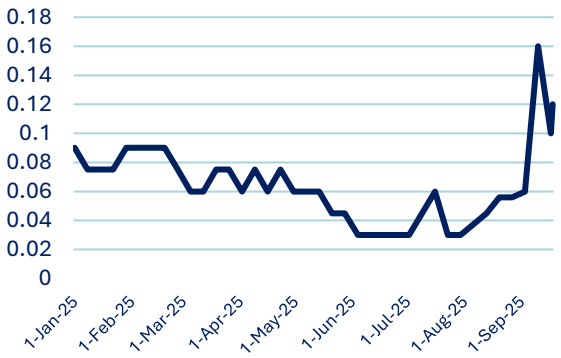
Fortuna Metals Limited (ASX: FUN) is an Australian critical minerals company focused on the discovery and development of rutile and graphite deposits in Malawi. The company holds a strategic land package of 658 km^2, directly adjoining Sovereign Metals' (ASX: SVM) Kasiya deposit, which represents the world's largest rutile resource and the second-largest flake graphite deposit. Fortuna's strategy is to leverage this Tier-One geological setting to aim of discovering high grade rutile needed to fill looming structural deficit and unprecedented demand for titanium metal used in robotics, aerospace and advanced manufacturing.

Share Price: 0.12

ASX: FUN
Sector: Basic Minerals
18 September 2025

Metrics	Value
Valuation Measures	
Market Cap	AUD 29.68M
Enterprise Value	AUD 24.96M
Share Information	
Shares Outstanding	247.34M
52 week high/low (A$)	$0.16 / $0.03
% held by Board and Management	4.84%

ASX: FUN Share price (A$)



Source: Yahoo Finance

Recent Updates:

- **Acquisition of Ice Shelf Resources – 10 September 2025:** Fortuna entered a binding agreement to acquire Ice Shelf Resources Pty Ltd, securing 100% ownership of the Mkanda & Kampini rutile-graphite projects in Malawi. The consideration includes ~55 million ordinary shares, performance shares, a cash payment of A$100,000, and a 1.5% gross revenue royalty.
- **Capital Position & Name Change – 20 August 2025:** Fortuna Metals Ltd, formerly Lanthanein Resources Ltd, began trading under its new name and ticker **FUN**. A full share-consolidation was completed, and the company is **fully funded** with **A$4.718M cash** as of 8 September 2025.
- **Strategic Benchmark – Sovereign Metals (ASX: SVM):** Sovereign Metals' Kasiya deposit provides a critical benchmark for understanding rutile-graphite potential in Malawi. With a resource of 1.8Bt @ 1% rutile and 1.4% TGC, confirmed by a Definitive Feasibility Study, Kasiya has already attracted major global partners including Rio Tinto, Mitsui, Chemours, and Hascor. Fortuna's projects lie directly adjacent to and along strike from this Tier-One deposit, sharing the same geological rutile and graphite bearing rock type which hosts Kasiya deposit.
- **CEO Appointment – Tom Langley:** Mr Thomas Langley was recently appointed as Chief Executive Officer. He holds a BSc in Geology from the University of Western Australia and a MSc in Economic Geology from the University of Tasmania (CODES), and has worked with groups such as BHP Nickel West, Northern Star Resources, and Creasy Group.
- **Performance Incentive Milestones**: Key targets include:
    - Delivering multiple high-grade drilling intersections by September 2026.
    - Defining a JORC-compliant resource of at least 100Mt by September 2027.
    - Completing a feasibility study with a post-tax NPV above A$500m by September 2028.
    - Achieving share price VWAP milestones of A$0.075 (2026), A$0.15 (2027), and A$0.25 (2028).

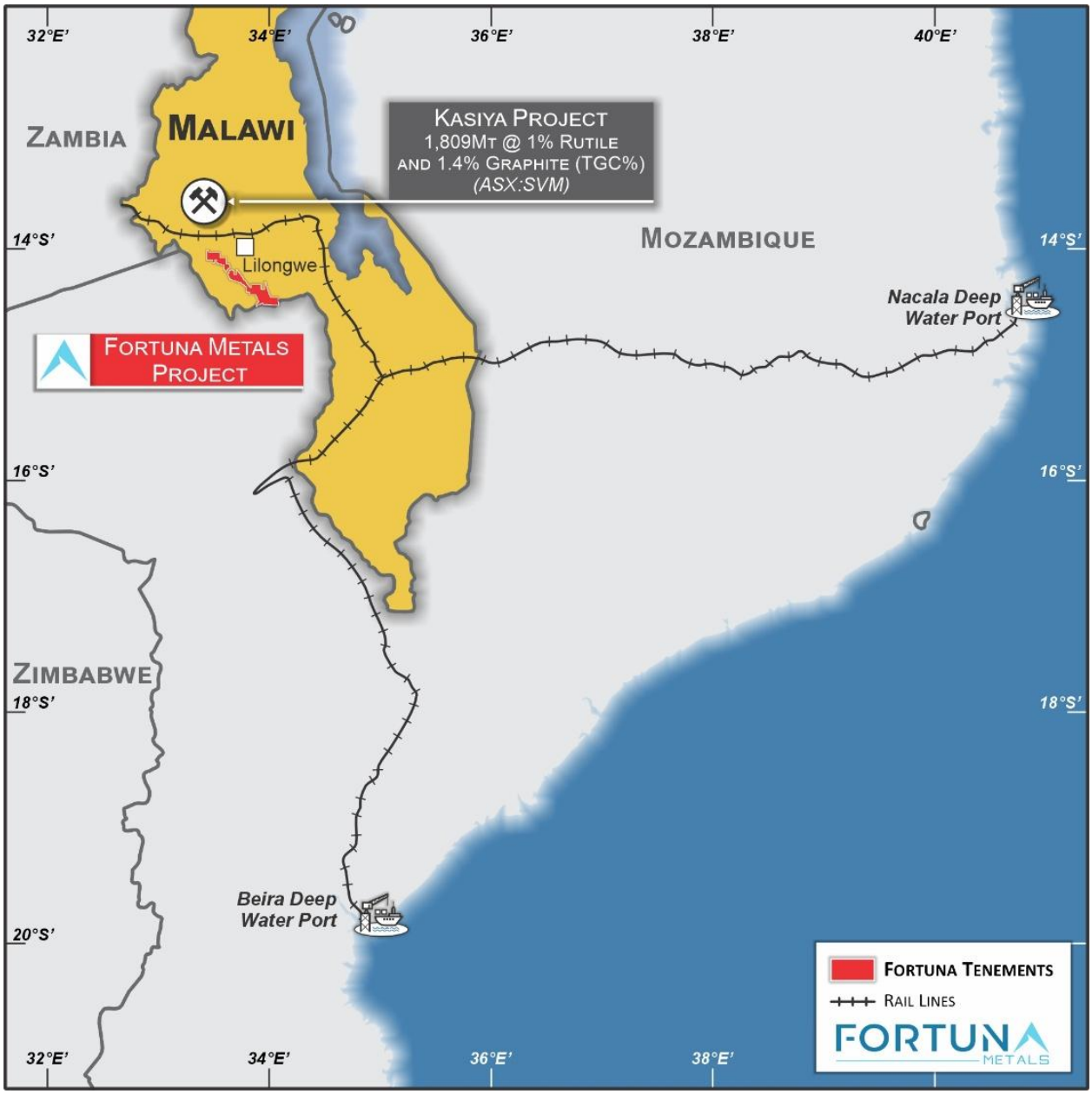
Mkanda & Kampini Projects: Alongside the World's Largest Rutile Deposit

Location

The Mkanda & Kampini projects are located in Malawi, directly adjacent to Sovereign Metals' world-class Kasiya deposit. This strategic positioning provides Fortuna with exposure to one of the most promising rutile-graphite provinces globally.

Scale

The combined project area covers an expansive **658 km^2**, providing Fortuna with a dominant landholding in a highly prospective geological corridor.



Locations of the Projects in Malawi, Africa.

Strategic Location and Infrastructure Advantage

Malawi is rapidly emerging as a critical minerals frontier. The nation has a stable democratic system and is progressively improving its mining framework, which has been positively recognised by the Fraser Institute for Mining Jurisdictions. Fortuna Metals' Mkanda and Kampini Projects, strategically located adjacent to Sovereign Metals' world-class Kasiya deposit, are uniquely positioned to align with Japan's mineral security and infrastructure priorities.

Infrastructure Readiness

- **Road Access:** Sealed highways traverse project areas, ensuring efficient logistics and mobility.
- **Power Supply:** The national grid is largely powered by renewable hydroelectric energy, with expansion projects underway, aligning with global ESG standards.
- **Rail & Export Facilities – Nacala Corridor:** A fully operational rail link connects Malawi to the deep-water port of Nacala in Mozambique, one of the deepest natural ports on the east coast of Africa. **The Nacala Corridor is a strategic priority under Japan's US$7 billion African initiative**, which emphasises capacity expansion, refurbishment, and resilience upgrades. These enhancements will directly improve cost-efficiency and reliability for bulk mineral exports, including rutile and graphite.

Proven Market & Logistics Synergies

- **Market Access for Rutile:** Independent validation has confirmed that Malawian rutile meets specifications for high-performance titanium metal production, a feedstock of strategic importance to Japan's advanced manufacturing sectors. Fortuna's proximity to Kasiya ensures it is well positioned to capture future offtake demand.
- **Historical Engagement:** Japanese trading houses, including Mitsui & Co., have previously secured rutile supply from this region, reinforcing the strategic value of Fortuna's projects within Japan's long-term supply chain ambitions.
- **Scalable Logistics Advantage:** Planned rail spur connections outlined by Sovereign Metals will integrate with the Nacala line. Fortuna stands to benefit from the same upgrades, ensuring seamless access to global markets at competitive costs.

This combination of geological prospectivity, infrastructure readiness, and alignment with Japan's strategic critical minerals initiative provides Fortuna with a distinctive advantage. The projects are positioned not only to support efficient exploration and sample transport in the near term but also to secure long-term demand visibility, reliable export pathways, and durable partnerships in the global critical minerals supply chain.

Style of Mineralisation

Mineralisation at the Mkanda and Kampini projects is hosted within **residual (eluvial) deposits**, developed through prolonged tropical weathering and in-situ concentration of rutile- and graphite-rich bedrock. These deposits are typically laterally extensive and form shallow blankets of mineralisation at or just below the surface. Such geological settings are known to yield consistent grades over wide areas, which can make exploration more efficient and development pathways technically straightforward. Importantly, the near-surface position of the mineralisation is expected to minimise stripping ratios and reduce overall operating costs if advanced to production.

Geology

The underlying bedrock is naturally enriched in both rutile and graphite. Over geological time, weathering has liberated these minerals from their host lithologies and concentrated them in soils and saprolitic horizons. The result is a surface and near-surface environment where rutile grains and graphite flakes occur in readily accessible horizons. Early field mapping and reconnaissance sampling confirm that these weathering processes mirror those observed at Kasiya, suggesting strong potential for large-scale, high-grade deposits within Fortuna's ground.

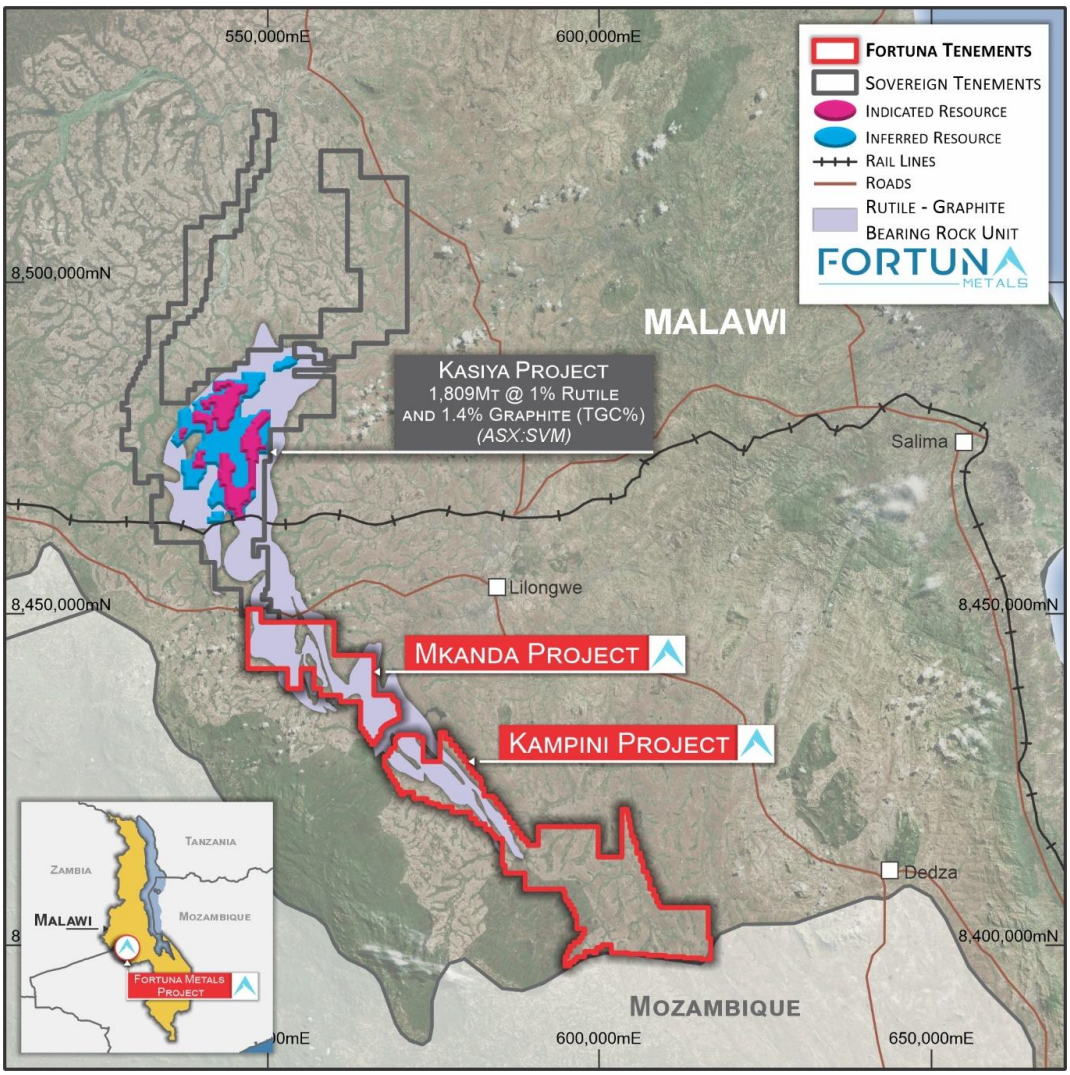
Exploration Stage

Fortuna is presently advancing through **Phase 1 exploration**, comprising systematic soil sampling, auger drilling, and detailed mineralogical analysis. The program is designed to delineate shallow mineralised zones, define grade distribution, and prioritise areas for follow-up drilling. Planned QEMSCAN analysis will provide high-resolution mineralogical data, verifying rutile grain size, liberation characteristics, and graphite flake morphology. These datasets will feed into geological models to establish drill-ready targets and advance towards resource definition.

Fortuna's licences sit **along strike from Sovereign Metals' Kasiya resource (1.8Bt @ 1% rutile and 1.4% TGC)**. Geological similarities, including host lithology and weathering profile, strongly indicate the potential for analogous mineralisation to be defined across the company's 658 km^2 landholding.

Strategic Importance

- **Rutile** is the **purest, highest-grade** natural titanium feedstock, critical for decarbonising global titanium supply chains.
- **Graphite** has **battery-grade potential**, crucial to the **EV revolution**.



Projects geology map

Strategic Benchmark: Sovereign Metals (ASX: SVM)

Sovereign Metals provides a useful benchmark for assessing rutile potential in Malawi. Its Definitive Feasibility Study (DFS) has confirmed the viability of a **large-scale, low-cost operation** with Tier-One credentials. In early 2025, **Rio Tinto acquired an 18.5% stake for US$60 million**, underlining the global importance of the Kasiya deposit. Additionally, Sovereign has secured Memoranda of Understanding with major global groups such as **Mitsui**, **Chemours**, and **Hascor**. Fortuna shares **the same geological terrain and mineralisation model**, placing it in a favourable position to pursue discoveries of comparable significance.

Key Milestones & Exploration Roadmap

- **Q3–Q4 2025: Establishing Foundations:** During this period, Fortuna focused on initiating and completing the first steps of its exploration strategy. A comprehensive **due diligence site visit** was successfully carried out, followed by **Phase 1 soil sampling** across priority zones. The team also implemented **hand auger drilling**, designed to map shallow mineralisation trends and validate early targets. Upcoming work includes advanced **QEMSCAN mineralogical analysis** to characterise rutile and graphite grains, alongside the **setup of an in-country laboratory** to accelerate turnaround times for results.
- **Q1–Q2 2026: Expanding the Exploration Footprint:** The next phase will scale up exploration activities. Fortuna is planning **broad-spaced auger drilling programs**, extending step-out coverage across underexplored zones to test continuity of mineralisation. In parallel, **infill drilling on a 400m x 400m grid** will provide higher resolution data, allowing the team to refine geological models and delineate potential mineralised corridors with greater precision.
- **Q1 2027: Towards Resource Definition:** By early 2027, Fortuna aims to consolidate its datasets to deliver a maiden **Inferred Mineral Resource Estimate (MRE)**. This milestone will integrate soil geochemistry, auger drilling, and mineralogical analyses into a coherent geological model, providing the first formal assessment of rutile and graphite resources across the Mkanda & Kampini projects.

Upcoming Newsflow

- Due diligence site visit
- Phase 1 soil sampling - September 2025
- Phase 1 hand auger drilling - September & October 2025
- Completion of acquisition - November 2025
- Desktop review and purchasing Malawi government geophysical data (magnetics, radiometric, digital terrain etc.) - November 2025
- Assessment of historical exploration - November 2025
- QEMSCAN mineralogy analysis to confirm rutile mineralisation - Q4 2025
- Setting up in-country lab to process samples - Q4 2025
- Results of Phase 1 program - Q4 2025
- Wide-spaced hand auger drilling across initial targets - Q1 2026
- Infill then stepping in to 400m x 400m grid pattern - Q1 - Q3 2026
- Targeting maiden Inferred Mineral Resource by - Q1 2027

Peer Analysis & Positioning: How FUN Stacks Up

To understand the risk & reward profile of this acquisition, we have undertaken a peer analysis which evaluates FUN's entry against competitors like DY6 Metals (ASX:DY6), Chilwa Minerals (ASX:CHW), Osmond Resources (ASX:OSM), Lion Rock Minerals(ASX:LRM), and SVM, highlighting FUN's undervalued market cap, with potential for rapid re-ratings similar to peers' post-acquisition and early exploration milestones.

Attribute	Fortuna Metals	DY6 Metals	Chilwa Minerals	Osmond Resources	Lion Rock Minerals	Sovereign Metals
Ticker	(ASX:FUN)	(ASX:DY6)	(ASX:CHW)	(ASX:OSM)	(ASX:LRM)	(ASX:SVM)
Sector	Rutile - Graphite	Rutile - Heavy Minerals	Heavy Minerals - Rutile	Heavy Minerals - Rutile	Rutile - Heavy Minerals	Rutile - Graphite
SOI	247,344,087	92,200,000	82,640,000	123,840,000	2,910,000,000	646,940,000
Market Cap	$29.68M	$22.12M	$82.64M	$107.12M	$165.87M	$430.21M
Enterprise Value	$24.96M	$17.12M	$78.54M	$102.82M	$161.47M	$375.67M
Share Price	0.12	0.24	1.00	0.865	0.057	0.665
Cash on Hand	$4,250,000	$5,000,000	$4,100,000	$4,300,000	$4,400,000	$54,538,000
Debt	-	-	-	-	-	-
Project Location	Malawi, East Africa	Cameroon, West Africa	Malawi, East Africa	Spain	Cameroon, West Africa	Malawi, East Africa
Tenement size (km^2)	~658km^2	~5,900km^2	~896km^2	~228km^2	~8,800km^2	~786km^2
Flagship project	Mkanda & Kampini Rutile Projects	Central Rutile Project	Lake Chilwa Project	Orión EU Critical Minerals Project	Minta Rutile Project	Kasiya
Resource / Exploration Target	N/A	N/A	110 Mt 4.03% THM Grade 4.44Mt Contained THM MRE includes Rutile, average over all deposits at 0.11%	N/A	N/A	1.8 Bt 1% Rutile Grade 18Mt Contained Metal
Style of mineralisation	Saprolite-hosted residual rutile	Saprolite-hosted residual rutile	Consolidated sedimentary sands	Consolidated sedimentary sands	Saprolite-hosted residual rutile	Saprolite-hosted residual rutile
Bedrock geology	High-grade mica-schist	High-grade mica-schist	Siliciclastic setting	Siliciclastic setting	High-grade mica-schist	High-grade mica-schist
Ownership	100%	100%	100%	80% (Staged)	80%	100%
Best Drilling Intercepts	N/A	Auger Drill results: • 2.25m @ 0.6% rutile (8.7% HM) from surface • 0.8m @ 0.66% rutile (2.81% HM) from surface • 1.35m @ 0.84% rutile (1.23% HM) from 0m	Duger Drill results: • 4.3m @ 26.3% THM from surface • 5m @ 25.8% THM from surface • 5m @ 24.1% THM from surface • 6.6m @ 18.9% THM from surface • 7m @ 18.5% THM from surface	Surface sampling 1: • Rutile % 13.26 • Ilmenite % 6.02 • Zircon % 9.28 • Monazite % 1.54 • Allanite % 0.30 • Xenotime % 0.03 • TREO ppm 16,238	Auger Drill results: • 4m @ 1.05% rutile (1.57% HM) to EOH • 5.65m @ 5.2% HM • 7m @ 5.1% HM	Auger Drill results: • 28m @ 1.07% inc. 5m @ 1.52% rutile • 26m @ 1.04% inc. 5m @ 1.48% rutile • 24m @ 1.02% inc. 6m @ 1.42% rutile • 23m @ 1.05% inc. 3m @ 1.69% rutile • 23m @ 1.03% inc. 5m @ 1.26% rutile • 23m @ 1.01% inc. 5m @ 1.18% rutile
Development Phase	Early-Stage Exploration - No Drilling	Early-Stage Exploration - Initial Drilling	Advanced Exploration - Resource Expansion	Early-Stage Exploration - Surface Sampling	Early-Stage Exploration - Initial Drilling	PFS - Pre-development
Notes	**Geological Context:** The project shares the same geology as the adjacent Sovereign Metals (ASX:SVM) Kasiya project, the world's largest rutile deposit (1,809Mt at ~1% rutile) and second-largest graphite deposit. **Mineralisation Features:** Enriched in weathered host rock, concentrated in situ & shallow (0-25m depth) blanket-style orebody, saprolite hosted, at or near the surface, that allows free-dig mining without drilling, blasting, or crushing. **Product Quality:** Clean rutile grains as a premium product, free of leucoxene impurities. **Exploration Activities:** Cost-effective soil sampling, hand auger, push tube, and air core drilling. Ongoing rapid exploration is expected to generate news flow and lead to a Mineral Resource Estimate (MRE). **Infrastructure Advantages:** Sealed roads, rail link to the deep-water Nacala port on the Indian Ocean, and hydroelectric grid power.	**Positive Market Reaction to Acquisition:** Share price $0.042 28th April 2025, reaching a peak of $0.365 in mid July 2025 post Central Rutile Project acquisition. **District Scale:** ~5,900 km^2 tenement. Saprolite-hosted rutile mineralisation confirmed over 41km southeast northwest strike-length between Nsimbo and Alamba tenements. 35% of tenement sampled **Favourable Geology:** Project is underlain by kyanite-bearing mica schist, which is the source rock for the rutile. **Deep Weathering Profile:** Deep, intense weathering has concentrated and upgraded the rutile into a high-grade layer of saprolite, which is easier to mine. **Historical Evidence:** Historical production from the area (1935-1955) recorded 15,000 tons of high-purity rutile (>95%). Promising **Neighbours:** Project borders Lion Rock Mineral's Minta Rutile Project, where initial sampling has shown high-value mineral assemblages	**Positive Market Reaction to Developments:** Share price ~$0.20 early April 28, 2025, reaching a peak of approximately $1.18 in early July 2025 following high-grade mineral sands discovery **District Scale:** ~879 km^2 tenement area. Multiple deposits identified including Mposa, Bimbi, Namasalima, Halala, and Mpyupyu, with exploration conducted on 10 deposits to date. **Favourable Geology:** Project features heavy mineral sands rich in ilmenite, rutile, zircon, and monazite, with rare earth elements in clays below the sands. Geophysical surveys have identified dozens of carbonatite and dyke targets for further assessment. **Deep Weathering Profile:** Concentrate HMS and rare earth elements into clays, facilitating easier exploration and potential mining. **Historical Evidence:** Previous exploration since 2016 resulted in JORC-compliant Inferred mineral resource. **Promising Neighbours:** Project is near significant operations including Sovereign Metals' Kasiya Rutile-Graphite (1.8 Bt at 1.0% rutile and 1.4% graphite), Mkango Resources' Songwe Hill REE (21.03 Mt at 1.41% TREO), and Lindian Resources' Kangankunde REE (261 Mt at 2.19% TREO).	**Positive Market Reaction to Acquisition:** Share price $0.07 late August, 2024, reaching $0.32 in Mid September, 2024 after acquisition. Share price has peaked at $1.00 in Mid July, 2025, after further positive surface sampling results confirmed broad mineralisation. Still no drilling. **Prospective Tenement:** Three target zones within Orión permit. Geological mapping has confirmed two interpreted pervasive seams. Mineralised outcrops over 12km apart within Orión permit area **Upcoming Drilling Program:** Broad initial drill program planned consisting of fifteen drill holes across the entire Orión Permit area Prospective Surface **Sampling Results:** Outcrop samples containing over 45% Total Heavy Minerals (THM). Exceptionally high grades of rutile (titanium), zircon, hafnium and rare earth elements	**Positive Market Reaction to Acquisition:** Share price $0.002 Mid Oct 2024 reaching $0.007 1 week after acquisition. **Drilling discovery:** First pass drilling results in Mid May 2025, spaced 10km by 1km and intercepted heavy minerals including rutile, resulting in share price increase from $0.009 in Mid May 2025 to $0.069 in Mid July 2025. Company market cap re-rating now ~$170M. **Discovery Footprint:** Spans 2,750km^2 of confirmed rutile dominant mineralisation. Mineralisation in all holes reported to date 100% hit rate – HM in every hole. Average HM assemblage of 63.2% rutile in discovery hole **Exploration Activities:** Cost-effective soil sampling, hand auger, push tube, and air core drilling. Infrastructural Advantages: road, rail, port, and hydroelectric power all within reach	**Pre-Feasibility Study (PFS):** PFS completed in collaboration with Rio Tinto in January 2025, highlighting enhanced project viability. **Graphite Resource:** Kasiya also contains 1.8Bt @ 1.32% graphite for 23.4Mt contained graphite **Investment Details:** Rio Tinto has invested ~$80M to acquire a 19.9% shareholding in Sovereign Metals (SVM). **Producer Potential:** Reaffirmed as having the potential to become the world's largest and lowest-cost producer of strategic critical minerals, focusing on rutile and graphite. **Project Advantages:** Demonstrates superior outcomes in project delivery, operational flexibility, permitting processes, and environmental and social impacts. **Operational Scale:** Designed as a large-scale, long-life operation capable of delivering substantial volumes of natural rutile and graphite, while generating significant economic returns.

Market Cap Comparison: Fortuna Metals (ASX:FUN) enters the rutile-heavy minerals sector at a compelling valuation, significantly lower than its peers. This positions FUN as an early-stage opportunity with substantial upside potential compared to peers like Sovereign Metals (ASX:SVM) at $430.2 million, Chilwa Minerals (ASX:CHW) at $82.6 million, and Osmond Resources (ASX:OSM) at $107.1 million. The acquisition of the Mkanda & Kampini Rutile Projects in Malawi, adjacent to SVM's world-class Kasiya deposit, mirrors the trajectory of fellow saprolite-hosted residual rutile peers DY6 and LRM, which both saw significant re-ratings following their respective rutile-heavy minerals project acquisitions. For instance, DY6 Metals (ASX:DY6) surged from a low base to a $33.6 million cap post-acquisition, while Lion Rock Minerals(ASX:LRM) experienced a rapid ascent to $165.9 million after maiden drilling intercepts.

Favourable Geology: The Mkanda & Kampini projects benefit from highly prospective geology identical to that of the neighbouring Kasiya deposit, hosted in high-grade mica-schist bedrock that has undergone deep saprolite weathering, concentrating rutile into shallow, blanket-style orebodies (0-25m depth). This residual rutile mineralisation style enables low-cost, free-dig mining without blasting or crushing, reducing capital intensity and operational risks compared to peers like CHW and OSM, which rely on consolidated sedimentary sands requiring more complex processing. FUN's 100% ownership over ~658 km^2 in Malawi's rutile-rich district, enriched in weathered host rock and free of leucoxene impurities for premium product quality, de-risks the project geologically. Historical precedents in the region, including SVM's 1.8 billion tonne resource at 1% rutile grade (18 Mt contained metal), underscore the district's endowment. With cost-effective exploration methods like soil sampling and auger drilling poised to delineate targets rapidly, FUN's acquisition leverages this favourable geology to fast-track toward resource definition, offering a superior risk-reward profile: minimal geological uncertainty paired with high-grade potential in a jurisdiction proven to deliver economic-scale deposits.

Adjacent Sovereign Metals (~$430M Market Cap): Proximity to Sovereign Metals' (ASX:SVM) Kasiya project, the world's largest rutile deposit (1.809 Bt at ~1% rutile) and second-largest graphite resource, provides FUN with a strategic halo effect, validating the Mkanda & Kampini tenure's exploration potential. SVM's ~$430 million market cap reflects market confidence in the shared geological setting, where FUN's projects directly adjoin this tier-1 asset, benefiting from spillover infrastructure like sealed roads, rail to Nacala port, and hydroelectric power. This adjacency de-risks FUN by associating it with SVM's de-risked pathway, including a completed Pre-Feasibility Study (PFS) in collaboration with Rio Tinto. Early-stage entry allows it to capture similar rewards without SVM's advanced capex commitments; for example, SVM's 19.9% Rio Tinto stake (~$80M investment) demonstrates institutional validation of the region. Investors in FUN gain leveraged exposure to this proven district at a fraction of SVM's valuation, with the risk of exploration mitigated by geological analogues and infrastructure access, positioning the acquisition for asymmetric upside as FUN advances toward MRE and potential partnerships.

Market Rewarding HMS (Specifically Rutile) Acquisitions & Early-Stage Exploration: The market has consistently rewarded heavy mineral sands (HMS) and rutile-focused acquisitions and early exploration milestones, as evidenced by peers' share price surges: DY6 from $0.042 to $0.365 post-acquisition (mid-2025), CHW to ~$1.18 after high-grade discoveries, LRM from $0.002 to $0.069 following maiden drilling (market cap re-rating to ~$170M), and OSM to $1.00 (market cap re-rating to ~$107M) on surface sampling confirming >45% THM. These reactions highlight a sector dynamic where low-cap explorers like FUN experience rapid re-ratings upon news flow from cost-effective activities such as surface sampling and initial auger drilling. FUN's Mkanda & Kampini acquisition aligns perfectly with this trend, entering at an undrilled stage akin to DY6, LRM & OSM pre-drilling, yet with the added de-risking of adjacent tier-1 geology.

Peers Demonstrate Quick and Cost-Effective Valuation Accretion: FUN's peers illustrate how low-cost exploration techniques, such as surface sampling and auger drilling in saprolite-hosted rutile settings, can drive swift valuation gains following project acquisitions, thanks to the quick and inexpensive nature of these methods in favourable jurisdictions like Malawi and Cameroon.

- **DY6 Metals (ASX:DY6):** Acquired the Central Rutile Project in late April 2025 at $0.042 per share; subsequent initial auger drilling results propelled the share price to $0.365 by mid-July 2025, delivering a ~9x increase over approximately three months.
- **Chilwa Minerals (ASX:CHW):** Starting from ~$0.20 in early April 2025, the share price climbed to $1.18 by early July 2025 following auger drilling that confirmed high-grade mineral sands, enabling progression to resource expansion in under three months and yielding a ~6x uplift.
- **Osmond Resources (ASX:OSM):** Acquired the Orión EU Critical Minerals Project in late August 2024 at $0.07 per share, rising to $0.32 by mid-September; further positive surface sampling results extended the gains to $1.00 by mid-July 2025, achieving a ~14x increase over 11 months driven largely by non-drilling activities.
- **Lion Rock Minerals (ASX:LRM):** Acquired the Minta Rutile Project in mid-October 2024 at $0.002 per share, which jumped to $0.007 within a week; auger drilling commenced in mid-May 2025, boosting the price from $0.009 to $0.069 by mid-July and re-rating the market cap to ~$170 million over about two months, resulting in a ~35x overall share price increase from the initial acquisition.

With $4.25 million in cash reserves and no debt, FUN is well-positioned to replicate these efficient timelines through similar low-cost programs at Mkanda & Kampini, generating steady news flow en route to a Mineral Resource Estimate (MRE) and potentially unlocking comparable re-ratings in a rutile market with strong demand fundamentals.

Leadership and Technical Team

Tom Langley – Chief Executive Officer

Fortuna appointed **Mr Thomas Langley** as Chief Executive Officer (CEO). He holds a **BSc in Geology from the University of Western Australia** and a **MSc in Economic Geology from the University of Tasmania (CODES)**. His career includes roles with **BHP Nickel West, Northern Star Resources, and Creasy Group**, where he gained broad exposure to multiple commodities and geological settings. Over his professional journey, he has overseen **large-scale resource definition drill programs**, directed **grassroots exploration campaigns**, and guided **early-stage project evaluations**. This experience equips him with a practical understanding of how to progress projects from concept through to discovery.

Mr Langley is an active member of the **Australasian Institute of Mining and Metallurgy (MAusIMM)**, the **Australian Institute of Company Directors (MAICD)**, and the **Australian Institute of Geoscientists (MAIG)**. His combination of technical capability and leadership acumen strengthens Fortuna's ability to advance its projects with discipline, innovation, and a forward-looking vision.

David Frances – Non-Executive Director

With over three decades of experience in African mining, David has held senior leadership roles on both the TSX and ASX. He has successfully guided companies through project development in challenging jurisdictions and has deep knowledge of operating environments across the continent.

Peter Pawlowitsch – Chairman

Peter is a Certified Practicing Accountant (CPA) with extensive corporate finance and governance expertise. He has provided strategic guidance and financial oversight for several resource companies, ensuring strong capital discipline and transparent governance structures.

Brian Thomas – Non-Executive Director

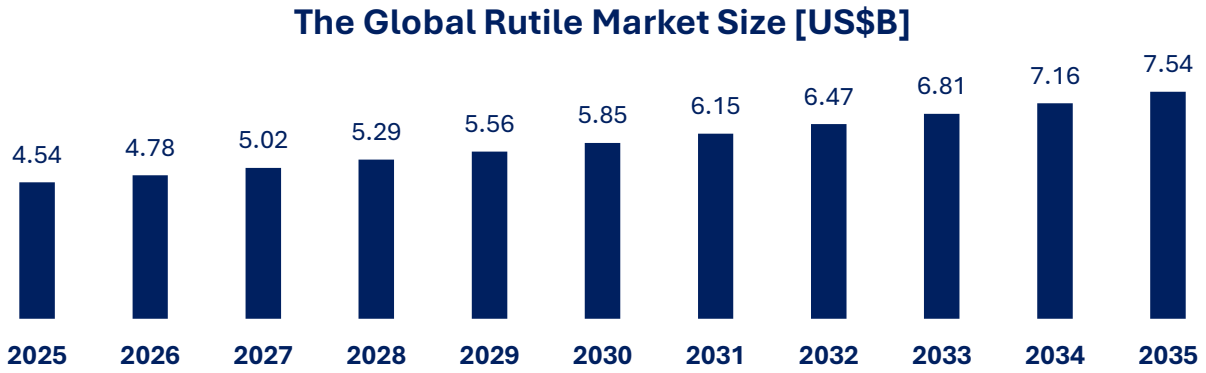
Brian brings 35 years of experience spanning exploration management, project development, and corporate advisory roles across both Australian and international projects. He served as Chairman of Azure Minerals, which was recently sold for approximately $1.7bn to SQM and Hancock Prospecting. His background includes oversight of technical programs and strategic support for companies progressing from exploration to advanced project stages.

Together, this highly credentialed leadership group combines geological discovery capability, operational experience in Africa, and strong corporate governance. Their collective expertise provides Fortuna with a balanced and experienced foundation to advance its projects responsibly and effectively.

Market Context: Rutile Demand, Pricing and Strategic Relevance

Market Size and Key Drivers

The global rutile market is projected to reach **US$4.54 billion by 2025**, expanding to **US$7.43 billion by 2035** at a CAGR of 5.2%.



Source: Fact.Mr

Growth is anchored by several interlocking drivers:

- **Paints & Coatings:** Largest end-use, expected to capture over 40% of market demand by 2025, supported by infrastructure renewal and green building trends.
- **Aerospace & Defence:** Rising demand for titanium alloys in aircraft and spacecraft supports continued use of high-purity rutile.
- **Energy Transition:** Expanding solar, EV, and renewable supply chains rely on titanium dioxide's reflectivity, UV resistance, and strength.
- **Sustainability Regulations:** Western Europe's REACH and CBAM frameworks, plus US and Asia-Pacific ESG requirements, are accelerating adoption of low-carbon rutile feedstocks.
- **Technological Adoption:** AI-based processing, beneficiation upgrades, and low-carbon chloride routes are improving efficiency and expanding demand.

Overall, the combination of structural supply tightness, regulatory tailwinds, and expanding advanced manufacturing applications ensures a strong long-term demand profile for rutile.

Rutile Market Dynamics

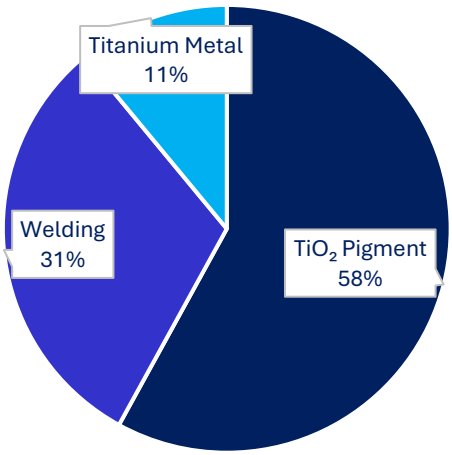
The rutile market is entering a decade of structural change. It is critical for **future-facing demand** driven by robotics, aerospace, welding, pigment, and advanced manufacturing sectors. Natural rutile remains approximately **six times more valuable** than ilmenite-dominant feedstocks used by groups such as Iluka, Rio Tinto, and Tronox. Unlike synthetic alternatives, rutile delivers **orders of magnitude lower carbon emissions**, making it an essential material in decarbonising titanium supply chains.

Pricing in 2024 illustrates this premium: rutile trades at **US$13/$TiO_2$ unit**, compared to **US$5/$TiO_2$** for ilmenite-derived sulfate feedstock. The cost and carbon intensity of upgrading ilmenite to titania slag (>85% TiO_2) or synthetic rutile (>88% TiO_2) reinforces the strategic appeal of natural rutile.

Demand Structure

Demand for rutile is broad and diverse. According to TZMI (2024), **58% of rutile feedstock is consumed in TiO_2 pigment**, used in paints, coatings, plastics, and solar technologies. A further **31% is used in welding consumables**, where rutile provides consistent burn rates and slag formation, and **11% is consumed in titanium metal production**, a critical input for aerospace, defence, and medical applications. These applications are not only expanding but are increasingly demanding high-purity, traceable feedstock.

Demand for Rutile by End Use (2024)



Source: TZMI

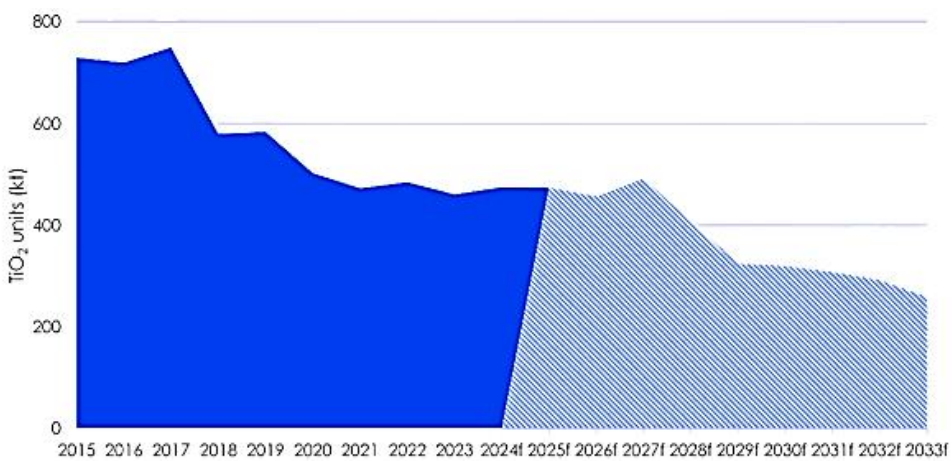
Supply Outlook

Global rutile supply has been contracting since 2017, with TZMI data highlighting a steep decline through 2024. While some new production is forecast to enter the market from 2026 onwards, long-term projections suggest continued deficits as demand accelerates faster than supply. This tightening backdrop places a premium on projects capable of delivering scalable, sustainable rutile supply.

Strategic Role Across Industries

- **Aerospace & Defence:** Titanium metal derived from rutile is lightweight, corrosion-resistant, and essential for jet engines, spacecraft, and military hardware.
- **Pigments & Coatings:** Rutile's opacity, brightness, and UV resistance make it irreplaceable in paints, plastics, and industrial finishes.
- **Welding & Industrial:** Used in electrodes and fluxes, rutile contributes to safety, strength, and quality in infrastructure and construction.
- **Advanced Manufacturing:** Demand is emerging from robotics, additive manufacturing, and renewable energy applications, areas forecast to expand sharply this decade.

Rutile Supply

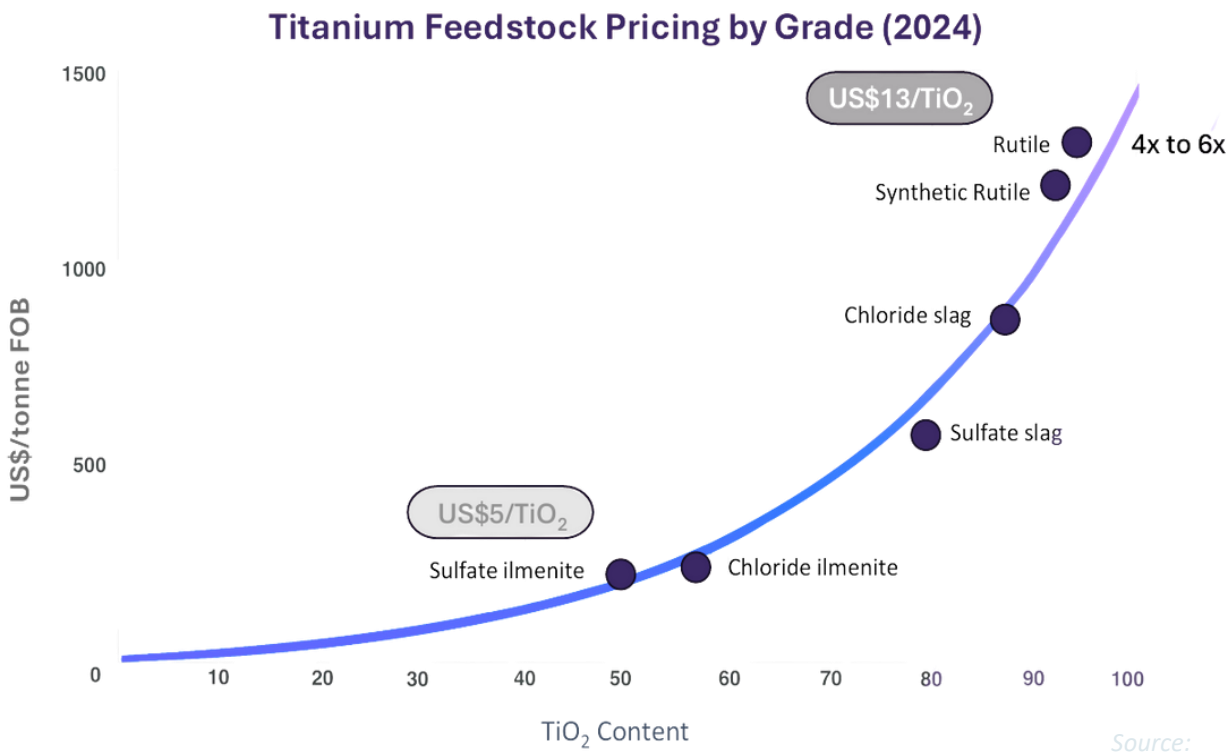


Source: TZMI

Regional Variance and Pricing Sensitivity

- **United States:** Aerospace producers prioritise natural rutile purity; **71% of users favour natural feedstock**, with many adopting **AI-based process controls** for efficiency.
- **Western Europe:** Environmental regulations such as REACH and the EU Carbon Border Adjustment Mechanism push users toward **synthetic and low-carbon chloride processes**.
- **China & Japan:** Cost efficiency dominates. In China, **63% of buyers favor upgraded ilmenite, leveraging robust local beneficiation capacity**. Japan, constrained by limited reserves, relies on imports and selective beneficiation, and **has announced US$7 billion to back Africa-focused growth US$5.5 billion via the Enhanced Private Sector Assistance** for Africa program through the African Development Bank, and US$1.5 billion mobilized by Japan's development agency for direct private-sector investments, including mining and infrastructure.

Price volatility remains a global challenge, with **natural rutile prices rising 27% year-on-year in 2024** and synthetic up 19%. Supply reliability, regulatory delays, and logistical bottlenecks compound these pressures.



Strategic Insight

Consensus is clear: purity, supply reliability, and ESG alignment will define rutile's role over the next decade. Regional approaches diverge, however. The **USA** focuses on high-purity and vertically integrated supply chains. **Europe** is driven by sustainability and regulation. **China and Japan** emphasise cost-effective beneficiation and synthetic expansion. This evolving landscape positions rutile as a scarce, high-value feedstock central to global technology, defence, and energy transition markets.

Conclusion: Positioned for Global Critical Minerals Relevance

Fortuna Metals has laid the foundation for a trajectory that aligns uniquely with the evolving landscape of global critical minerals. With a **658 km^2 landholding in Malawi**, directly adjoining the world's largest rutile deposit at Sovereign Metals' Kasiya project, Fortuna is strategically embedded in a globally recognised rutile-graphite province. This position grants the company exposure to Tier-One geology that has already attracted the backing of global majors such as **Rio Tinto**.

Strategic Differentiators

- **Geological Strength:** Fortuna's projects share the same high-grade mica-schist bedrock and saprolite-hosted rutile mineralisation style as Kasiya, proven to host economic-scale deposits. This reduces geological uncertainty and accelerates the path toward resource definition.
- **Cost and ESG Advantages:** The residual blanket-style deposits at Mkanda and Kampini allow free-dig mining without blasting or crushing, translating into lower capital intensity and reduced environmental footprint compared to sedimentary sands projects pursued by peers.
- **Valuation Gap and Growth Potential:** Fortuna sits at a fraction of the valuations of regional and global peers. Comparisons to companies such as Sovereign Metals (**A$430M**) and Chilwa Minerals (**A$82.6M**) highlight a compelling value gap that positions Fortuna for significant re-rating as exploration milestones are delivered.
- **Leadership and Execution:** CEO **Tom Langley** brings direct experience in resource definition, early-stage project evaluation, and African exploration management. Backed by an experienced board and strong governance, the company is equipped to execute a disciplined growth pathway.

Market Context Alignment

The rutile market is entering a period of **structural supply deficits**, with demand growth from **aerospace, defence, energy transition, and advanced manufacturing sectors** outpacing new production capacity. At the same time, **graphite's role in EV batteries** and **rare earths' role in renewable energy technologies** position Fortuna squarely at the intersection of multiple critical mineral supply chains.

The company's timing is advantageous: as governments tighten regulations on sourcing, emissions, and traceability, Fortuna's projects are well-situated in jurisdictions that align with ESG and security-of-supply priorities.

Outlook

Fortuna's distinguishing feature is not simply the scale of its projects but the **combination of Tier-One geology, ESG-aligned jurisdictions, multi-commodity exposure, and robust infrastructure advantages**. This integrated profile provides a platform for scalable growth, resilience against market volatility, and the potential to play a pivotal role in global supply chains.

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