Fortuna Metals Ltd

Investment Report

August 2026

PHOENIX GLOBAL INVESTMENTS

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

Overview

Fortuna Metals Limited (ASX: FUN) is an Australian critical minerals company focused on the discovery and development of rutile, graphite and heavy rare earth mineralisation in Malawi. The Company's Mkanda and Kampini projects cover approximately 658 km^2 in the same broader basin as Sovereign Metals' Kasiya deposit, placing Fortuna within one of the world's most prospective natural rutile provinces.

Over recent months, the story has moved beyond early land positioning into a more advanced discovery and resource-definition phase, underpinned by a maiden Inferred Mineral Resource Estimate, multi-commodity upside and strategic funding interest.

Share Price: 0.090

ASX: FUN
Sector: Mining
3 August 2026

Metrics	Value
Valuation Measures	
Market Cap	AUD 37.95M
Enterprise Value	AUD 25.15M
Share Information	
Shares Outstanding	421.71M
52 week high/low (A$)	$0.0300 / $0.2200
% held by Board and Management	~13%

Source: Yahoo Finance

Recent Updates

- **Maiden MRE:** Mkanda now hosts a maiden Inferred MRE of **298Mt @ 0.87% rutile and 1.19% TGC** (0.7% cut-off) — **2.6Mt contained rutile** (top-6 deposit globally) and **3.55Mt contained graphite**, confirming a globally significant rutile-graphite system.
- **Latest drilling results:** Recent full-hole drilling has continued to support the shallow, high-grade nature of mineralisation, with standout results including **10m @ 1.66% rutile, 10m @ 1.62% rutile, 10m @ 1.43% rutile, 10m @ 1.32% rutile and 9m @ 1.30% rutile**. Importantly, several of these holes ended in mineralisation, supporting the case for further vertical growth with deeper drilling. Final shallow **0-2m** samples also returned grades of up to **2.52% rutile**.
- **Growing scale:** Coherent rutile anomalies now cover approximately **53 km^2**, including a higher-grade core of around **28 km^2**. Recent work has also extended the Mbale prospect to the north, further strengthening the broader district-scale picture.
- **Multi-commodity upside:** In addition to rutile, Fortuna has reported strong graphite results including **6m @ 4.93% TGC** and **10m @ 4.16% TGC**, while **monazite** and **xenotime** have been confirmed in QEMSCAN. This supports the view that Mkanda may develop as a broader strategic minerals project rather than a single-commodity rutile story.
- **Metallurgy and product quality:** Bulk sample test work in Johannesburg has delivered a premium rutile product grading **96.66% TiO_2**, confirming a high-purity feedstock suitable for premium titanium markets. Final XRD and QEMSCAN mineralogy is due August 2026.
- **Strategic funding: WNDRCO Holdings III LP** has completed an **A$8.6 million** cornerstone investment, approved by shareholders on 13 July 2026 and issued on 28 July 2026, for a **18.57%** position in the Company. This is significant not only from a funding perspective, but also because it broadens Fortuna's exposure to downstream strategic markets in the United States.
- **Technical strengthening:** Recent appointments including **Richard Stockwell**, **David Bougourd** and **Ian Hind** strengthen the Company's resource, metallurgical and product-marketing capability as Fortuna advances resource growth and broader commercial positioning.

A Tier-One Rutile-Graphite Opportunity in Malawi

Fortuna Metals has moved beyond acquisition-led positioning and into a far more substantive discovery and early development phase. The company now presents as a Malawi-based critical minerals explorer with a district-scale rutile and graphite land package, a growing body of drilling data, a maiden Inferred Mineral Resource Estimate, completed bulk-sample metallurgical work, increasing commercial preparation, and an emerging strategic relevance that extends beyond a simple exploration story.

Fortuna's core assets, the Mkanda and Kampini projects in Malawi, sit within one of the most important natural rutile districts in the world. The company controls approximately 658 km^2 in a geological setting directly comparable to the nearby Kasiya rutile-graphite deposit owned by Sovereign Metals. That location remains central to the investment case, but the more important point in mid-2026 is that Fortuna is no longer relying on location alone. The company has now started to define scale, grade, continuity and potential product quality on its own ground.

Over the past several months Fortuna has delivered a sequence of updates that materially improve the technical quality of the investment thesis. These include multiple shallow high-grade rutile results, a significantly expanded mineralised footprint, a higher-grade core within the broader system, confirmation of graphite and heavy rare earth potential, commencement of bulk metallurgical work, appointment of technical and marketing specialists, and the completion of a cornerstone investment from a United States-based strategic partner.

Taken together, these developments shift Fortuna from being viewed as a speculative land-positioning play into a more credible early-stage discovery and resource-definition story. It remains early, and that stage carries exploration, metallurgy, funding and execution risk. Even so, the amount of technical and commercial work completed in a relatively short period is meaningful. The company now has a far stronger basis for peer comparison, valuation discussion and strategic relevance than it had at the time of the earlier report.

Why the Story Has Strengthened

Fortuna's position has improved for five main reasons.

First, the company has demonstrated that Mkanda is not simply prospective ground near Kasiya, but a mineralised system in its own right. The growth in anomaly footprint, repeated shallow rutile intersections and emerging higher-grade core zones all support this view.

Second, the company has declared a maiden Inferred Mineral Resource Estimate of 298Mt @ 0.87% rutile and 1.19% TGC (0.7% cut-off) for 2.6Mt of contained rutile, superseding the earlier Exploration Target and placing Mkanda among the top 6 rutile deposits globally.

Third, Fortuna has broadened the commodity case beyond rutile. Graphite results, including **6m @ 4.93% TGC** and **10m @ 4.16% TGC**, together with the confirmation of monazite and xenotime in QEMSCAN, have increased the strategic optionality of the project.

Fourth, the company is already advancing workstreams that usually lag early exploration success, including metallurgy, consultant appointments, market preparation and downstream relationship building.

Fifth, the completed A$8.6 million WNDR investment for 18.57% adds both funding support and a strategic angle linked to the United States titanium, graphite and rare earth value chain.

Recent Corporate and Technical Progress

The progression since the Malawi acquisition has been rapid and increasingly material.

- **Acquisition and repositioning:** Fortuna completed the acquisition of Mkanda and Kampini and reset the company around rutile, graphite and rare earths in Malawi.
- **High-grade rutile confirmation:** Drilling in early 2026 confirmed multiple shallow rutile intersections such as **10m @ 1.62%**, **9m @ 1.30%**, **10m @ 1.32%**, and later **10m @ 1.43% rutile**.
- **Jurisdictional clarity:** The Malawian Department of Mining confirmed that the raw mineral export restriction does not apply to Fortuna where beneficiation and upgrading occur in-country.
- **Footprint growth:** The coherent rutile anomaly area expanded from roughly **25 km^2** to **37 km^2** and later to about **53 km^2**, including a higher-grade core of approximately **28 km^2**.
- **Maiden Mineral Resource Estimate:** Declared on 15 July 2026 at **298Mt @ 0.87% rutile and 1.19% TGC** (0.7% cut-off) for **2.6Mt of contained rutile**, superseding the earlier Exploration Target and placing Mkanda among the top 6 rutile deposits globally.
- **Graphite and rare earth upside:** Fortuna reported meaningful graphite grades and rare earth indicators, including elevated DyTb, Yttrium and NdPr signatures.
- **Metallurgical work:** Bulk sample test work in Johannesburg delivered a premium rutile product grading **96.66% TiO_2**, with final XRD and QEMSCAN mineralogy due August 2026.
- **Commercial and technical appointments:** The company added specialist consultants in resource geology, metallurgy and titanium marketing.
- **Strategic funding completed:** WNDR invested **A$8.6 million** for **18.57%** of the Company, approved at the 13 July 2026 meeting and issued on 28 July 2026.

Corporate Snapshot

Metric	Position
ASX Code	FUN
Core commodities	Rutile, graphite, heavy rare earths
Project location	Malawi, East Africa
Landholding	~658 km^2
District position	Approximately 20 km south of Kasiya
Infrastructure	~11 km to Nacala rail line; export via deep-water Nacala port
Mineral Resource (Inferred)	298Mt @ 0.87% rutile, 1.19% TGC (0.7% cut-off); 2.6Mt contained rutile
Mineralised footprint	~53 km^2 with ~28 km^2 higher-grade core
Shares on issue	421,712,271
Market capitalisation	~A$38.0M undiluted at A$0.090 (3 August 2026)
Cash	A$12,803,588 as at 30 July 2026
Strategic funding	A$8.6M WNDR investment completed (approved 13 Jul 2026, issued 28 Jul 2026)
Options and performance rights	110,361,863 options; 25,227,273 performance rights
Major shareholders	WNDRCO 18.57%;
Top 20 shareholders	63.75%

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

District Setting and Location

Mkanda and Kampini are located in Malawi within the same broader rutile-graphite province as Sovereign Metals' Kasiya deposit. That district context remains one of Fortuna's strongest competitive advantages. Rather than attempting to establish a new mineral province from scratch, Fortuna is exploring within a basin that has already been proven to host world-scale rutile and graphite mineralisation.

The projects are positioned approximately **20 km south of Kasiya**, which provides more than a visual map advantage. It gives Fortuna direct exposure to a geological model that has already been validated by large-scale drilling, resource estimation, reserve definition, pre-feasibility work and strategic interest from major industry participants.

Scale and Land Position

The combined project area of about **658 km^2** is important for two reasons. First, it provides room for the current discovery footprint at Mkanda to continue expanding. Second, it leaves open the possibility that additional mineralised centres or satellite zones may emerge across the broader landholding. This matters because rutile systems of this style can be laterally extensive and are often best understood through district-scale exploration rather than narrow deposit-scale thinking.

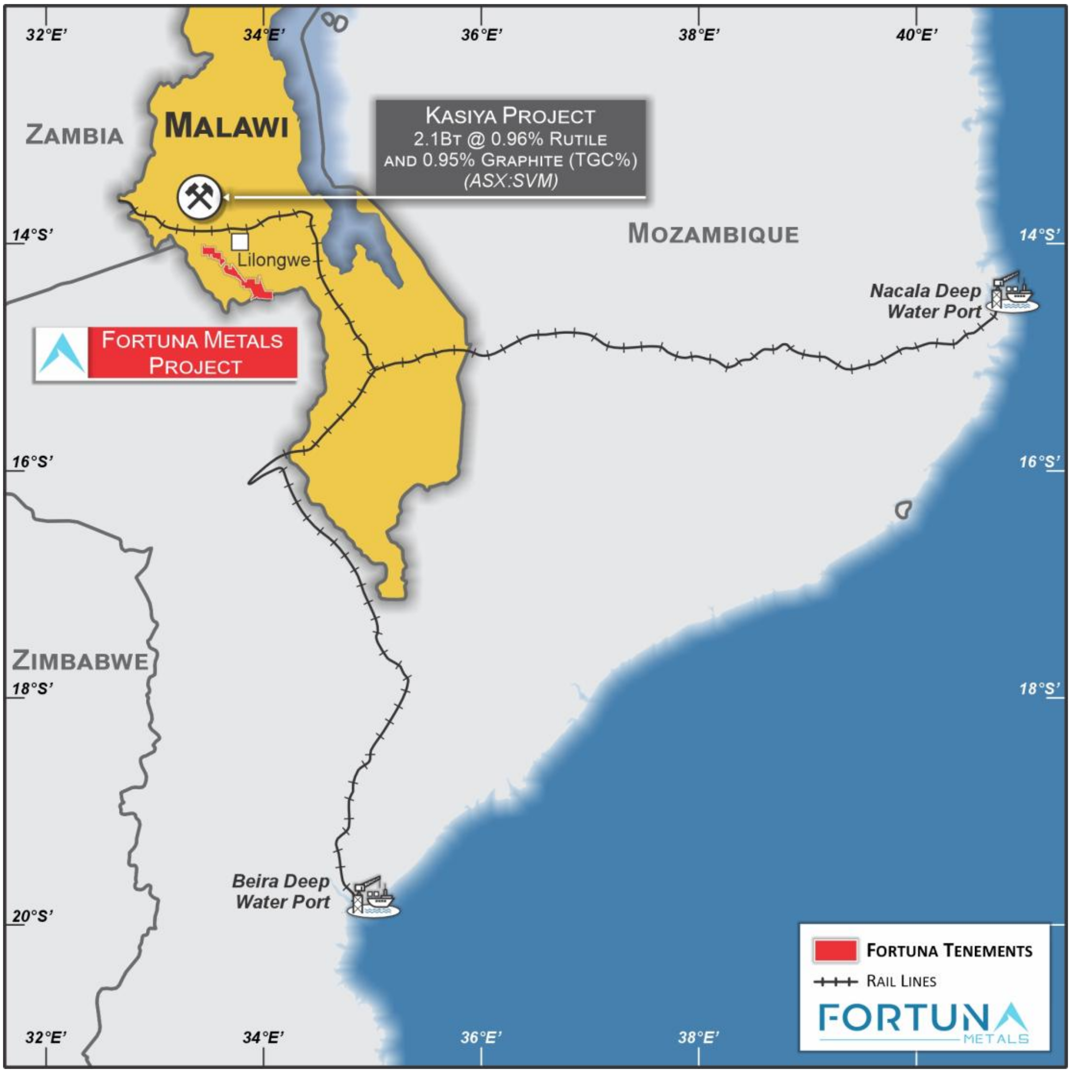
Recent company materials have strengthened this point further because the current work is no longer focused solely on Mkanda's first discovery areas. The 2026 program is also designed to continue testing the broader scale potential of the system, including deeper extensions at Mkanda and planned work at Kampini, particularly the southern licence area, which has seen more limited work to date.

Infrastructure and Logistics Advantage

Natural rutile projects ultimately need more than grade and tonnage. They need exportable product, practical logistics and a clear pathway to market. Fortuna is relatively well placed on that front.

- **Rail access:** Mkanda sits roughly **11 km from the Nacala rail line**, a major advantage for any future bulk concentrate business.
- **Port access:** The Nacala Corridor provides a direct route to a deep-water port in Mozambique.
- **Road access:** Existing roads support field work, sampling, personnel movement and operating access.
- **Power setting:** Malawi's hydro-based power mix supports a lower-emissions narrative than some competing jurisdictions.
- **Regional investment support:** The Nacala corridor continues to benefit from broader regional infrastructure attention, which supports the long-term export case.
- **In-country capability:** Fortuna has also indicated commissioning of an in-country laboratory in Lilongwe, which should help improve sample turnaround times and operational efficiency as exploration intensity increases.

These factors reduce one of the key risks often attached to African critical minerals stories, namely that even a good deposit may struggle to reach global markets efficiently. Fortuna is not free of logistical risk, but it is clearly better placed than many early-stage peers in more isolated settings.



Locations of the Projects in Malawi, Africa.

Mineralisation Style and Geological Significance

The mineralisation at Mkanda and Kampini is interpreted as **saprolite-hosted residual rutile**, formed through deep tropical weathering of rutile-bearing mica schist and related host rocks. This is a highly attractive style for several reasons.

- Mineralisation begins from surface in multiple areas.
- The orebody style is laterally extensive rather than narrow and vein-like.
- The system can support simple, low-strip conceptual mining.
- Free-dig material means no drilling or blasting is required in the initial mining concept.
- Rutile and graphite are concentrated into accessible near-surface saprolitic horizons.

This is a materially different risk profile from more consolidated mineral sands systems, where mining, handling and processing can be more complicated. It is also why the comparison to Kasiya matters so much. Fortuna is not simply next to Kasiya geographically. It appears to be operating within the same broad mineralising and weathering environment.

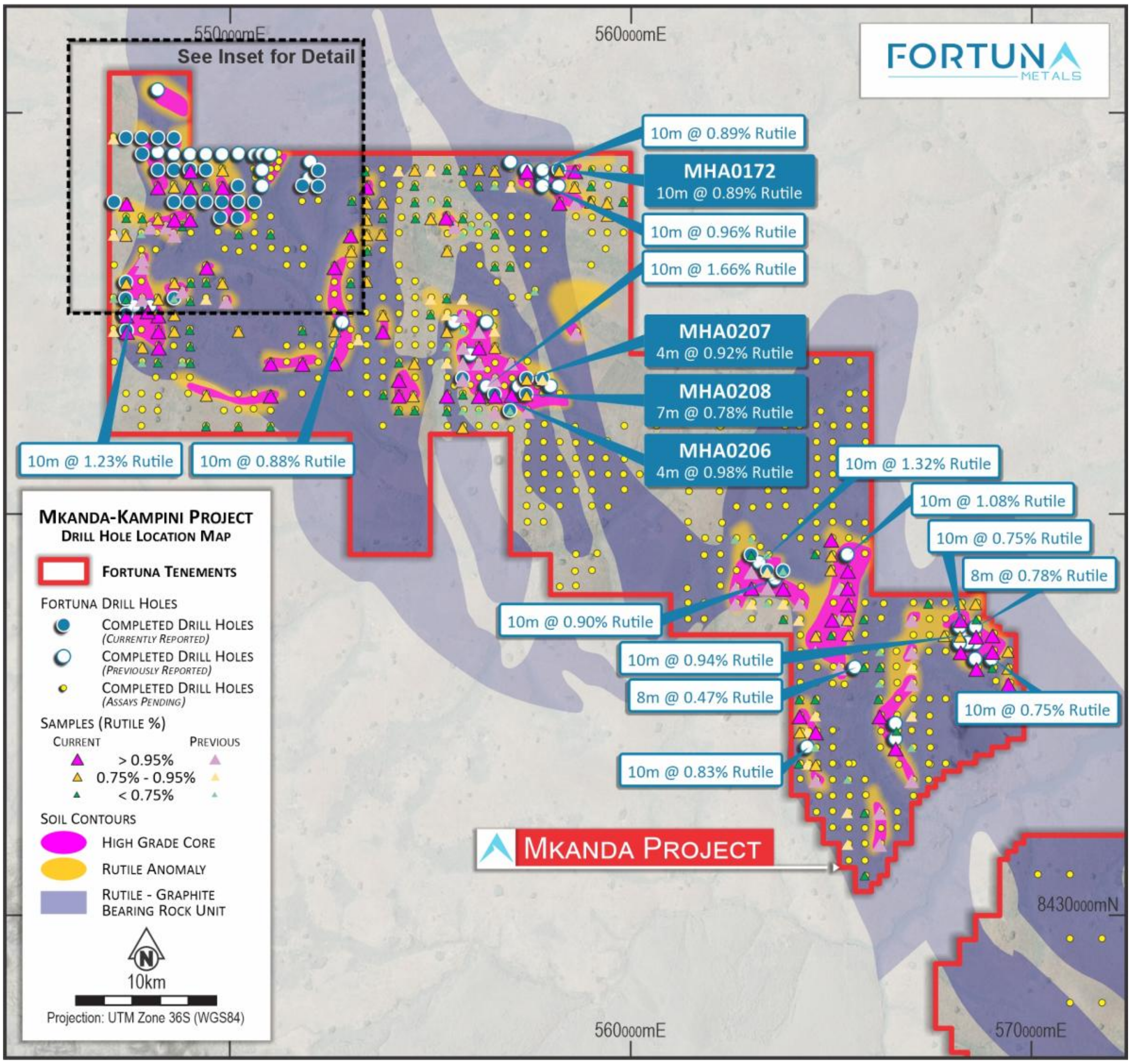
Exploration Progress at Mkanda

The more relevant recent work has shifted from broad first-pass confirmation to defining the best mineralised zones and positioning Mkanda for a maiden resource.

The strongest update remains the February-March drilling phase, which delivered multiple shallow high-grade full-hole intercepts including **10m @ 1.66% rutile**, **10m @ 1.62% rutile**, **10m @ 1.32% rutile**, **9m @ 1.30% rutile** and **10m @ 1.23% rutile**. These results were important not only because of grade, but because several of the better holes ended in mineralisation, which supports the view that the current hand-auger results are not yet fully testing the vertical extent of the system.

The April update then added more depth to the dataset with additional full-hole results of **10m @ 1.43% rutile**, **4m @ 1.22% rutile**, **5m @ 1.04% rutile**, **9m @ 0.88% rutile** and **10m @ 0.74% rutile**. Just as importantly, the final batch of shallow **0-2m** samples returned peak grades of **2.52%**, **2.50%**, **2.05%**, **1.89%** and **1.74% rutile**, which reinforced the presence of high-grade surface material across broader parts of the project.

These latest results also helped define the geometry of the higher-grade zones more clearly. A new central prospect was outlined across roughly **5 km north-south** and **1 km east-west**, while the Mbale prospect was extended more than **1.6 km** to the north, supported by shallow grades of **1.50%**, **1.07%**, **1.01%** and **0.94% rutile**. This is important because the story is no longer only about isolated intercepts. It is increasingly about coherent mineralised zones with scale, continuity and identifiable higher-grade cores.



From there, the project moved into a more structured resource-definition phase, culminating in the maiden Mineral Resource Estimate. Ongoing work is designed to accelerate resource conversion and growth through 648 hand auger holes completed for 5,313m in the 2026 infill program (1,323 hand auger holes for 10,713m in total at Mkanda), a 5,000m aircore program now under way, and a tighter 200m x 200m resource-focused drilling pattern over priority areas.

This sequence matters because it shows Fortuna is not standing still after the initial discovery phase. The project is now progressing into a more structured program that is increasingly geared toward resource-definition and development relevance rather than reconnaissance alone.

Parameter	Current Position	Why it matters
First-pass drilling	675 hand auger holes completed in 2025	Demonstrates strong pace of execution and broad first-pass coverage
Best February-March full-hole rutile intersections	10m @ 1.66%, 10m @ 1.62%, 10m @ 1.32%, 9m @ 1.30%, 10m @ 1.23% rutile	Confirms multiple high-grade shallow holes across the early discovery areas
End-of-hole support	MHA0023 ended in 1.59% rutile, MHA0050 ended in 2.15%, MHA0020 ended in 1.87%, MHA0057 ended in 1.12%, MHA0046 ended in 1.03%	Suggests mineralisation remains open at depth and strengthens the case for deeper drilling
Additional April full-hole results	10m @ 1.43%, 4m @ 1.22%, 5m @ 1.04%, 9m @ 0.88%, 10m @ 0.74% rutile	Expands the distribution of mineralised drill support beyond the first batch of best holes
Best shallow results	0-2m composites up to 2.52%, 2.50%, 2.05%, 1.89% and 1.74% rutile	Supports near-surface grade and potential mining simplicity
Mbale extension shallow grades	1.50%, 1.07%, 1.01%, 0.94%, plus higher-grade Mbale values of 1.32% and 1.23% rutile	Demonstrates continuity and extension of mineralisation into broader prospect areas
Footprint growth	~25 km² to ~37 km² to ~53 km²	Shows the system is scaling as drilling advances
Higher-grade core	~28 km²	Important because high-grade centres often drive early development focus
Maiden MRE	298Mt @ 0.87% rutile, 1.19% TGC (Inferred)	Confirms a globally significant, top-6 rutile resource
Average target depth basis	~4.1m average assay depth, against average hole depth closer to ~8m	Suggests the system is not yet fully tested vertically
Deeper drilling rationale	Aircore designed to test toward the free-dig saprolite boundary around 20m+	Potential source of future scale growth
2026 drilling expansion	648-hole infill program completed (4,637m); 5,000m aircore continuing Jul–Sep 2026	Indicates a more aggressive push toward resource conversion and vertical growth
Pending full-hole assays	117 full-hole assays expected by mid-May and a further 125 expected by end-June from the 2025 campaign	Suggests additional scope to increase confidence and potentially improve the maiden resource base
Graphite results	6m @ 4.93% TGC and 10m @ 4.16% TGC, plus 10m @ 1.66% rutile with 2.74% TGC and 10m @ 1.62% rutile with 2.34% TGC	Demonstrates genuine multi-commodity upside and shows graphite is present within some of the stronger rutile zones
Rare earth indicators	Elevated DyTb, Yttrium and NdPr, with monazite and xenotime confirmed	Adds a third strategic commodity vector
Metallurgy	5.4t bulk sample processed; premium rutile product of 96.66% TiO_2 achieved	Confirms a saleable, high-grade product and shifts the story from discovery into product definition

Why the Maiden MRE Matters

The maiden Mineral Resource Estimate is one of the most important milestones in Fortuna's 2026 news flow. It converts the earlier conceptual Exploration Target into a formal Inferred Resource under the JORC Code and materially changes the conversation around Mkanda.

Before this, Fortuna could be described as a discovery with a conceptual scale range. With the maiden MRE now defined at 298Mt @ 0.87% rutile and 1.19% TGC, it can be described as a globally significant rutile-graphite resource — a top-6 rutile deposit by contained metal — that now needs to be grown and upgraded through drilling. That is a more advanced stage in the value-creation curve and one that tends to attract broader market attention when supported by continued technical delivery.

Importantly, the MRE was defined from shallow hand auger drilling averaging just 8.4m depth, before the benefit of the deeper aircore program and pending assays had been incorporated. In other words, the current MRE should be seen as an initial resource that remains open for growth rather than the final expression of the system.

Graphite and Heavy Rare Earth Upside

Rutile remains the lead commodity and primary value driver. Even so, the importance of graphite and heavy rare earths should not be understated.

Graphite results have already shown grades capable of influencing future economic thinking. Just as importantly, the company has noted that graphite grades appear to improve with depth, which is relevant because deeper drilling remains ahead.

The rare earth component may ultimately prove even more strategic. The confirmation of monazite and xenotime in QEMSCAN, together with the reported heavy rare earth element signatures, means Fortuna could in time be regarded not only as a rutile project with graphite credits, but as a broader strategic minerals system. That increases optionality in both funding and downstream marketing.

Another important point is that Fortuna has been evaluating monazite and zircon potential in the context of the same mineral system seen at Kasiya. If further work continues to support the presence of recoverable by-product streams, this could improve the broader strategic value of the project beyond rutile alone.

Metallurgy and Product Pathway

Fortuna has already begun one of the most important workstreams for a rutile story, namely confirming product quality and recovery pathways. The current bulk test work in Johannesburg aims to generate a premium rutile concentrate of greater than **95% TiO_2**, which is critical because premium natural rutile derives much of its value from feedstock quality rather than simple tonnage alone.

The scope of work has also been framed broadly enough to review rutile, graphite and rare earth potential within the flow sheet. That is important because Fortuna is increasingly being evaluated as a multi-commodity strategic minerals opportunity rather than as a single-commodity rutile explorer.

If Fortuna can continue to demonstrate strong mineralogy, favourable concentrate characteristics and conventional processing pathways, it will materially improve market confidence in the project's ultimate commercial potential.

Roadmap from Here

The next phase of value creation is likely to centre on five areas.

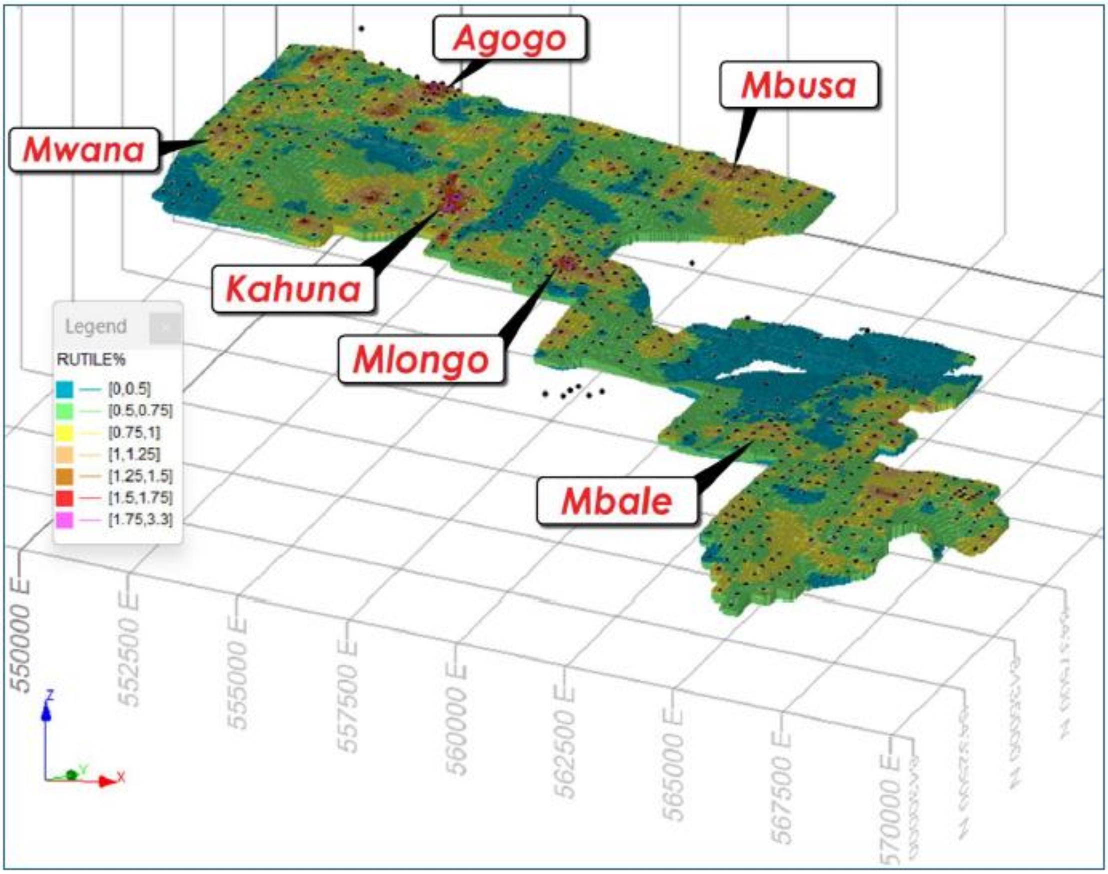
- **Resource growth:** expanding and upgrading the maiden Inferred MRE through infill and extension drilling.
- **Vertical testing:** proving whether the current shallow mineralisation continues meaningfully to depth.
- **Assay conversion:** bringing in the remaining full-hole results from the 2025 program and integrating them into the developing resource picture.
- **Metallurgy and product specification:** validating the premium product case.
- **Commercial and strategic engagement:** using the WNDR relationship and marketing work to build downstream relevance.

Maiden Mineral Resource Estimate at Mkanda

Fortuna's maiden Inferred MRE totals **298Mt @ 0.87% rutile and 1.19% TGC** (0.7% cut-off), including a high-grade core of 159Mt @ 0.98% rutile. That equates to **2.6Mt of contained rutile,** placing Mkanda among the top 6 rutile deposits globally, plus **3.55Mt of contained graphite**. Mineralisation is hosted in soft, free-dig weathered material from surface and remains open laterally and at depth.

Table 1: Mkanda Maiden MRE (all resources classified as Inferred). Highlighted row = headline 0.7% cut-off.

Cut-off Rutile %	Resource (Mt)	Rutile %	Contained Rutile (Mt)	TGC %	Contained TGC (Mt)
0.4	697	0.70	4.85	1.04	7.27
0.5	602	0.73	4.43	1.09	6.59
0.6	457	0.79	3.62	1.15	5.27
0.7	**298**	**0.87**	**2.59**	**1.19**	**3.55**
0.8	159	0.98	1.56	1.11	1.78
0.9	87	1.09	0.94	1.04	0.91
1.0	51	1.19	0.60	1.04	0.52



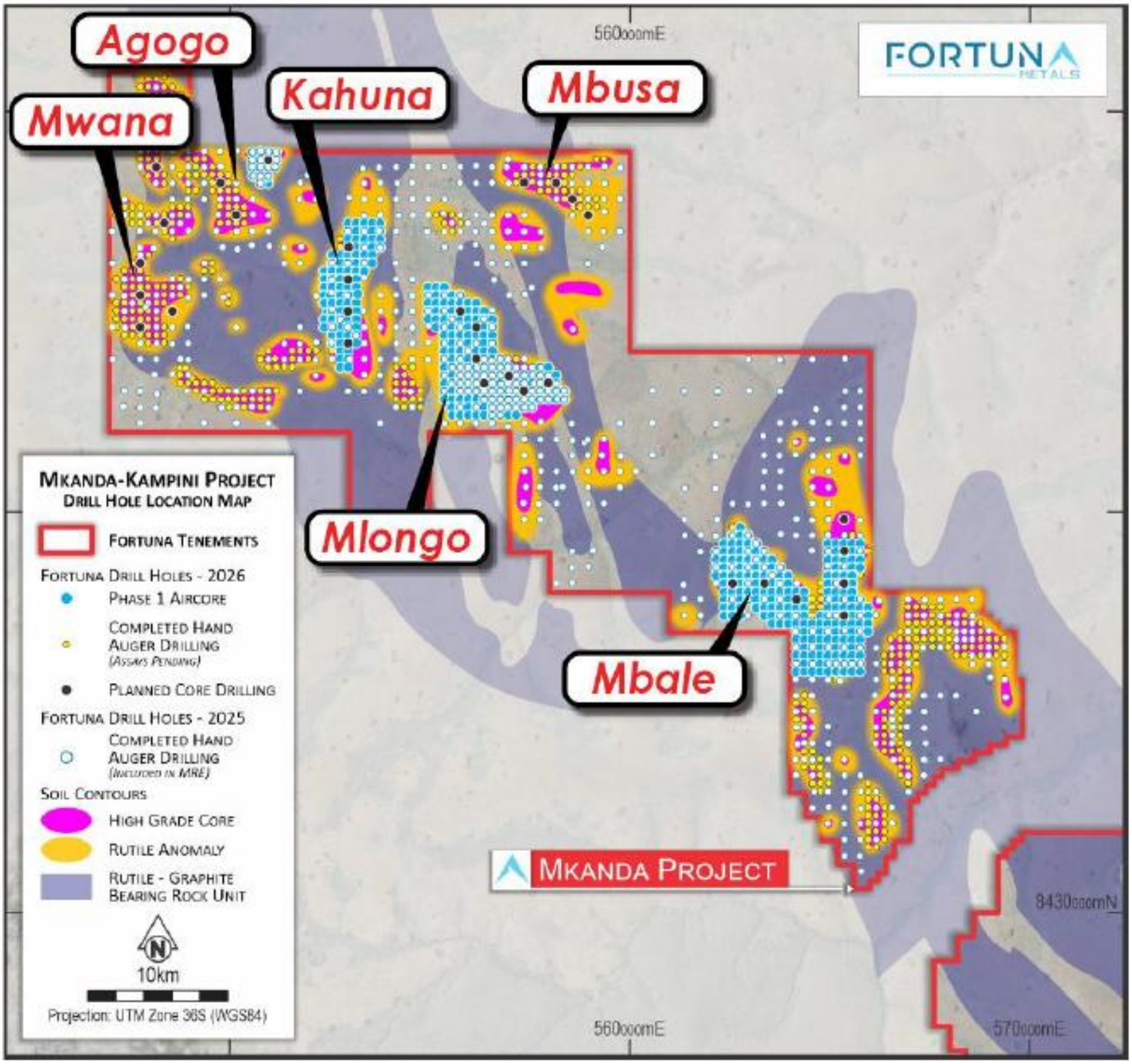
Modelled rutile grade oblique with NW view at the Mkanda Project in Malawi, Africa.

Drilling & Resource Growth

The maiden MRE was defined from shallow hand auger drilling averaging just 8.4m depth, with 228 drillholes assayed to end of hole. Mineralisation remains open laterally and at depth — the current resource is limited by the depth capacity of hand auger drilling rather than by any geological boundary.

Deeper aircore drilling is now underway to test the limit of the free-dig saprolite, with the first 14 aircore holes averaging 27m. Assays from this lateral and depth-extension program are expected in H2 2026 and are anticipated to support further resource growth.

- **Kahuna prospect:** 10m @ 1.43% rutile — an emerging multi-kilometre high-grade anomaly, not yet in the MRE and to be included in the next update.
- **Aircore assays (H2 2026):** testing lateral extensions and defining mineralisation at depth across the project.
- **Parallel workstreams:** conceptual mining and pilot-plant studies, graphite flotation test work, and marketing / offtake discussions with downstream buyers.



Drill hole programs collar locations at the Mkanda Project in Malawi, Africa.

Bulk Sample Metallurgy: +96.66% TiO_2 Rutile Product Achieved

A 5.4t bulk sample was processed by multi-stage gravity, magnetic and electrostatic separation prior to XRF analysis, producing an exceptional rutile product grading **96.66% TiO_2** — confirming high quality and low impurities at Mkanda, and ranking at or above established peer producers. Monazite, zircon and graphite analysis is ongoing, with final XRD and QEMSCAN mineralogy due August 2026 and graphite flotation test work scheduled for Q3 2026.

Table 1: Mkanda Rutile Specifications vs Peer Producers

Constituent	Mkanda (Fortuna Metals)	Kasiya (Sovereign Metals)	Sierra Rutile (Leonoil)	Kwale (Base Resources)
TiO_2 (%)	**96.66**	**95.7**	**96.3**	**96.2**
ZrO_2+HfO_2 (%)	0.18	0.18	0.78	0.72
SiO_2 (%)	0.37	0.7	0.62	0.94
Fe_2O_3 (%)	0.94	0.98	0.38	1.25
Al_2O_3 (%)	0.5	0.44	0.31	0.23
Cr_2O_3 (%)	0.16	0.1	0.19	0.17
V_2O_5 (%)	0.61	0.58	0.58	0.52
Nb_2O_5 (%)	0.39	0.37	0.15	–
P_2O_5 (%)	<0.025	0.018	0.01	0
MnO (%)	<0.025	0.007	0.01	0.03
MgO (%)	<0.025	0.001	0.01	0.1
CaO (%)	<0.025	0.011	0.01	0.04
S (%)	pending	0.005	<0.01	–
U+Th (ppm)	pending	30	26	53

Source: Fortuna Metals ASX announcement, 2 July 2026. Peer data: Sovereign Metals DFS (16 April 2026); Sierra Rutile & Kwale from 2010 BGR Assessment Manual. Mkanda S and U+Th results pending.

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 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	Chilwa Minerals	Osmond Resources	Lion Rock Minerals	Sovereign Metals
Ticker	ASX:FUN	ASX:CHW	ASX:OSM	ASX:LRM	ASX:SVM
Sector	Rutile - Graphite - HREE	Heavy Minerals - Rutile - REE	Heavy Minerals - Rutile - Zircon - Monazite	Rutile - Monazite	Rutile - Graphite
SOI	421,712,271	98,006,092	138,027,916	3,663,917,147	655,961,203
Market Cap	~A$37.95M	~A$78.40M	~A$95.24M	~A$62.29M	~A$327.98M
Enterprise Value	~A$25.15M	~A$74.81M	~A$90.84M	~A$53.79M	~A$294.08M
Share Price	0.090	0.80	0.69	0.017	0.50
Cash on Hand	A$12.804M (30 Jul 26)	~A$3.59M	~A$4.4M	~A$8.5M	~A$33.9M
Debt	-	-	-	-	-
Project Location	Malawi, East Africa	Malawi, East Africa	Spain	Cameroon, West Africa	Malawi, East Africa
Tenement size (km^2)	~658km^2	Lake Chilwa district-scale project around northern, western and southern lake margins	~228km^2	~8,800km^2	Benchmark basin-scale Malawi landholding
Flagship project	Mkanda & Kampini Rutile Projects	Chilwa Critical Minerals Project	Orión EU Critical Minerals Project	Minta Rutile & Monazite Project	Kasiya Rutile-Graphite Project
Resource / Exploration Target	Maiden Inferred MRE: 298Mt @ 0.87% rutile and 1.19% TGC (0.7% cut-off); incl. high-grade 159Mt @ 0.98% rutile. Top-6 global rutile deposit.	Existing mineral sand resources under upgrade with tight-spaced sonic drilling	Early-stage critical minerals system, drilling under way	Discovery-stage African rutile province	2,105Mt @ 0.96% rutile and 0.95% TGC (20.24Mt contained rutile, 19.95Mt graphite; M&I 1,652Mt), plus 536Mt Proven and Probable Ore Reserve @ 0.95% RUT95 and 1.56% TGC
Style of mineralisation	Saprolite-hosted residual rutile	Mineral sands with REE clays below sands	Lithified placer-style critical minerals system	Near-surface HM mineralisation dominated by rutile and monazite	Saprolite-hosted residual rutile and graphite
Bedrock geology	High-grade mica-schist	Lake-margin mineral sands and REE clay system	Lithified placer and critical minerals seam-style setting	Central Cameroon HM province	Malawi rutile-graphite basin
Ownership	100%	100%	80% staged	80%	100%
Best Drilling Intercepts	10m @ 1.62% rutile; 9m @ 1.30%; 10m @ 1.17%; 10m @ 1.43%; shallow peak 2.52% rutile; graphite 6m @ 4.93% TGC and 10m @ 4.16% TGC	Historical and ongoing HMS resource work; mineral sands resources being upgraded, with REE mineralisation in clays below sands	Drilling and surface work continue to support a strategic European rutile-critical minerals narrative	28m @ 1.07% including 5m @ 1.52% rutile; 26m @ 1.04% including 5m @ 1.48%; all reported holes with HM from surface to end of hole	World-scale rutile and graphite benchmark with 20.24Mt contained rutile and 19.95Mt contained graphite
Development Phase	Maiden Inferred Resource defined; resource-growth drilling underway	Advanced exploration and resource upgrade	Early exploration moving into drilling and system definition	Early-stage discovery expansion	Advanced development; DFS completed April 2026 (25-year life, 222ktpa rutile, 275ktpa graphite)
Notes	• **Geological Context:** Same Malawi rutile basin as Kasiya, ~20km south, with rutile-bearing mica-schist and saprolite-hosted mineralisation. • **Mineralisation:** Multiple surface rutile anomalies over **53km^2**, including a **28km^2** higher-grade core. • **Maiden Resource: 298Mt @ 0.87% rutile and 1.19% TGC** (0.7% cut-off), containing **2.59Mt rutile** and **3.55Mt graphite**; **96.66% TiO_2** premium product confirmed. • **Multi-Commodity Potential:** Graphite with monazite, xenotime, elevated dysprosium-terbium (DyTb) and yttrium. • **Commercial Progress:** Premium rutile marketing underway; **A$8.6M WNDR** cornerstone investment completed (78.3M shares at A$0.11 + 39.15M options). • **Capital Structure: 421.7M** shares, **110.4M** options and **25.2M** performance rights; Top 20 hold **63.75%**, WNDR **18.57%**, Greyskull **13.28%**.	Project Scope: Multi-commodity Malawi critical minerals platform combining HMS resources, REE clays and carbonatite targets. Current Work: Mineral sands resources under upgrade with tight-spaced sonic drilling. Strategic Relevance: One of the more advanced Malawi peers outside Sovereign.	Project Style: European critical minerals opportunity with rutile, zircon, hafnium and monazite exposure. Strategic Angle: Scarcity and jurisdiction appeal matter more than geological similarity to Fortuna. Development Relevance: Useful narrative comparator for market appetite toward strategic rutile stories.	Discovery Narrative: New rutile and monazite province in central Cameroon. Scale: 18 granted permits plus 3 under application across ~8,800km^2. Technical Relevance: Consistent HM mineralisation from surface to end of hole underpins the district-scale discovery case.	Benchmark Status: The clearest basin validation case for Malawi. Strategic Relevance: Defines the ceiling for scale, product relevance and potential rerating in the basin. Development Strength: Resource, reserve, OPFS and completed DFS provide the strongest validation of the rutile-graphite model in Malawi. DFS Economics: Pre-tax NPV8 of US$2.2B on initial capital of US$727M; Ore Reserve grade lifts from 0.96% rutile to 1.51% rutile equivalent once graphite credits are included.

Market Cap Comparison

Fortuna continues to stand out on a relative valuation basis. At the current peer snapshot, the company remains one of the lowest-valued names in the group despite having already moved beyond a pure land-positioning story. Mkanda now carries a maiden Inferred Mineral Resource of 298Mt at 0.87% rutile and 1.19% TGC, a broad rutile footprint, a defined higher-grade core, growing graphite and heavy rare earth relevance, active metallurgical work and a completed A$8.6M US cornerstone investment from WNDR. In practical terms, this means Fortuna is no longer being assessed as an undrilled concept story, yet it is still valued well below the more mature benchmark names and below several peers that have historically re-rated strongly on much earlier-stage technical progress.

That relative positioning is important because the market does not need Fortuna to close the entire gap to the upper end of the peer set for the re-rating case to remain compelling. It only needs the company to continue converting its current technical progress into clearer evidence of resource scale, continuity and commercial relevance. For that reason, the valuation gap remains one of the more useful ways to frame Fortuna's upside, particularly now that the company has delivered a maiden Inferred Resource and can focus on growing resource scale, confidence and commercial relevance while preserving its current strategic and geological advantages.

Favourable Geology

Fortuna also benefits from one of the stronger geological settings in the peer group. Mkanda and Kampini sit within the same broader Malawi rutile-graphite basin as Kasiya, in a saprolite-hosted residual rutile system developed over rutile-bearing mica-schist. This matters because it supports a style of mineralisation that is shallow, laterally extensive and conceptually suited to low-strip, free-dig mining.

That geological setting gives Fortuna a different risk profile from peers based on more consolidated mineral sands or lithified placer systems. The combination of shallow mineralisation, broad anomaly development and simple first-pass exploration methods such as hand auger drilling and aircore work supports relatively cost-effective advancement. In our view, this is one of the key reasons Fortuna's risk-reward profile remains attractive. The project is not only prospective, it is prospective in a geological setting that has already shown the ability to host very large-scale premium rutile mineralisation.

Adjacent to Sovereign Metals' Kasiya Benchmark

Proximity to Sovereign's Kasiya project remains one of Fortuna's strongest strategic advantages. Kasiya has already validated the Malawi basin, the premium rutile thesis, the free-dig saprolite-hosted mining style, and the downstream relevance of premium natural rutile and graphite from this district. That validation materially lowers conceptual geological risk for Fortuna relative to many earlier-stage peers in other jurisdictions.

This does not mean Fortuna should be valued in line with Sovereign. The stage gap is still substantial. Sovereign has already delivered resource, reserve, optimisation work and strategic validation at a much more advanced level. However, the Kasiya comparison remains highly relevant because it shows what the basin is capable of supporting and provides a practical blueprint for how value can be created over time through drilling, resource growth and strategic partnerships. Fortuna therefore benefits from being early in a district where the upper-end value case has already been demonstrated.

Market Rewarding Rutile and HMS Discovery Stories

The broader peer group also shows that the market has historically responded well to rutile and heavy mineral sands discovery stories when early exploration begins to convert into coherent mineralisation, district-scale footprint or formal resource work. This is evident across the African rutile analogues and broader critical-minerals names in the peer set.

Tusker Minerals and Lion Rock Minerals show how quickly investor attention can build around African rutile narratives once the market starts to believe a company is defining a meaningful new district or a Kasiya-style geological setting. Chilwa Minerals demonstrates that Malawi-based critical minerals stories can attract stronger valuations when resource work becomes more advanced and multi-commodity optionality begins to matter. Osmond shows that even outside Africa, strategic rutile and associated critical-minerals narratives can re-rate when scarcity and jurisdictional relevance come together.

For Fortuna, that peer behaviour is important because the company now sits in the part of the curve where the market tends to look for the next level of confirmation. It has already moved beyond the first conceptual hurdle. The next re-rating phase is more likely to be driven by maiden resource definition, deeper drilling success, metallurgy and broader strategic validation.

Fortuna Metals vs Sovereign Metals

Sovereign remains the most relevant benchmark for Fortuna because Kasiya demonstrates what value creation can look like in Malawi when a large rutile system is progressively de-risked through drilling, resource growth and strategic validation. Over time, Kasiya moved from an early exploration-stage market value of roughly **A$35 million** in 2019–2020 to around **A$150 million** at the time of its maiden inferred resource, before later re-rating toward the **A$350 million to A$500 million** range as the resource base expanded to roughly **1.77Bt**, then **1.81Bt**, and later about **2.1Bt**, with increasing confidence through measured and indicated resource definition.

That progression matters because Fortuna is at a much earlier point on a broadly similar style of value curve. Mkanda is currently associated with a market value of roughly **A$38.0 million** following its maiden Inferred Mineral Resource Estimate released in July 2026 of **298Mt at 0.87% rutile and 1.19% TGC (0.7% cut-off)**, including a high-grade component of 159Mt at 0.98% rutile (0.8% cut-off), based on an average mineralised depth of about **8.4 metres**. By comparison, Kasiya's value-creation pathway was supported not only by increasing tonnage, but also by expanding average mineralised depth and higher confidence through successive resource updates. In practical terms, Fortuna has now delivered its maiden inferred resource, placing Mkanda among the top six rutile deposits globally, and the focus shifts to resource growth, higher-confidence classification and a broader market re-rating.

This comparison is also strengthened by the nature of Fortuna's own emerging technical profile. The project is still early stage, but it already shows several characteristics that make the comparison to Kasiya more than superficial: broader rutile anomalies covering about **53 km^2**, a higher-grade core of about **28 km^2**, a scarce commodity focus in natural rutile, evidence of multi-commodity upside through **graphite and HREE**, confirmation of **monazite and xenotime** in QEMSCAN, and graphite results including **6m @ 4.93% TGC** and **10m @ 4.16% TGC**, with grades increasing with depth. At the same time, Sovereign continues to sit as the commercial and valuation benchmark, supported by a market value of roughly **A$328 million**, Rio Tinto's strategic involvement, and downstream support mechanisms such as Traxys and Mitsui MOUs. Sovereign's Kasiya Ore Reserve also grades 1.51% rutile equivalent once graphite credits are included, up from 0.96% rutile, which frames the by-product credit that Fortuna's 1.19% TGC graphite component could support over time.

In our view, the importance of this comparison is not that Fortuna should be assumed to follow the same path as Sovereign. That would be the wrong interpretation. The more relevant point is that Sovereign has already validated the basin, the mining style, the premium rutile thesis and the broader strategic importance of Malawi as a rutile-graphite jurisdiction. Fortuna is therefore operating with a lower degree of conceptual geological risk than many early-stage peers, while still retaining the valuation leverage that comes from being at the early-resource and pre-feasibility stage.

Put simply, Fortuna appears to be at the beginning of a value-creation pathway that Sovereign has already demonstrated in a more advanced form. Sovereign provides the blueprint. Fortuna provides the earlier-stage exposure. If Fortuna continues to convert footprint, grade and multi-commodity indicators into resource growth and then into broader technical and commercial de-risking, the valuation gap to Sovereign may remain one of the most useful ways to understand the company's upside potential, while also recognising that stage, execution and market conditions will ultimately determine how much of that gap can realistically be closed.

Why Fortuna Screens Well Against the Peer Set

Fortuna now presents one of the more balanced risk-reward setups in the group. It combines several advantages that do not often sit together at this stage or valuation.

- a validated basin setting in Malawi,
- shallow saprolite-hosted rutile mineralisation,
- a maiden Inferred Resource of 298Mt at 0.87% rutile (0.7% cut-off),
- a rutile footprint of roughly 53 km^2 with a higher-grade core of around 28 km^2,
- graphite and heavy rare earth upside,
- strong infrastructure positioning with rail and export access,
- metallurgy targeting a premium rutile product,
- strengthening technical and commercial capability,
- and a completed A$8.6M cornerstone investment from WNDR (WNDRCO Holdings III LP) with United States market relevance.

That combination gives Fortuna a stronger strategic foundation than many earlier-stage peers, while still leaving substantial upside leverage if technical delivery continues. It is also one of the reasons the company no longer fits neatly into the category of a simple conceptual explorer. It now sits in an increasingly attractive middle ground between early discovery and more advanced project definition.

Implication for Valuation

The peer analysis suggests that Fortuna does not need to replicate Sovereign's development path to justify a materially stronger valuation outcome. A more realistic path is narrower but still meaningful: continued footprint growth, successful deeper drilling, resource growth and higher-confidence conversion, supportive metallurgy and increasing commercial relevance. If those elements continue to fall into place, the company has scope to close part of the current valuation gap to the broader peer set.

That is ultimately the key takeaway. Fortuna is still early, and that stage matters. However, it is no longer an untested concept. It now has enough technical substance, basin validation and strategic relevance to warrant comparison with a much stronger group of peers. In our view, that is what keeps the company compelling from a market-positioning perspective.

Leadership and Technical Team

A notable feature of Fortuna's 2026 progress has been the strengthening of its technical and commercial capability at the exact point where the project is moving from discovery into resource-definition and early development planning. In our view, this is important because the company now needs more than encouraging drill results. It needs the right people in place to guide resource work, shape metallurgy, and begin aligning the project with future product and market requirements.

Richard Stockwell, Technical Consultant

The appointment of Richard Stockwell is important because it adds specialist capability directly relevant to the next phase of Mkanda's advancement. He is described as a specialist detrital minerals geologist, including mineral sands, and is expected to assist with drill planning, systems development and resource estimation to help drive value creation through discovery and mineral resource delivery.

That is particularly relevant at Fortuna's current stage. The company has already demonstrated scale indicators through footprint growth, repeated shallow rutile intersections and the delivery of a maiden Inferred Mineral Resource Estimate of 298Mt @ 0.87% rutile.

The next step is to ensure the drilling strategy, data capture and technical framework are robust enough to support efficient resource conversion. Richard Stockwell's role is therefore likely to sit at the centre of how Fortuna moves from broad anomaly definition toward a more disciplined and investable resource base.

In practical terms, his appointment should benefit the company by improving how drilling is prioritised, how the broader mineralised footprint is interpreted, how technical systems are structured, and how the maiden Inferred Mineral Resource is grown and upgraded.

David Bougourd, Metallurgical Consultant

David Bougourd's appointment is equally important because metallurgy is one of the key value-defining factors in any rutile or mineral sands story. He was previously General Manager of Iluka's Eneabba operations and is positioned as a mineral sands process engineering and design review specialist. His background also includes test work programs designed to establish the optimal process flow sheet and equipment selection for heavy mineral concentration plants.

That is directly relevant to Fortuna's current work program. Identifying rutile mineralisation is only part of the equation. The market also needs confidence that the material can be recovered efficiently, upgraded into a premium concentrate and ultimately positioned as a commercially relevant product. His expected contribution therefore goes beyond general metallurgical oversight and into the more specific question of how Mkanda's mineralisation might be processed in a practical development scenario.

This is particularly timely given Fortuna's bulk sample test work program in Johannesburg, which delivered a premium rutile product grading 96.66% TiO_2. That program begins to shift the story from exploration success toward product definition, and David Bougourd's background strengthens the credibility of that transition.

For the company, the benefit is clear. He adds technical depth to the metallurgical workstream, improves confidence around early process assumptions, supports more informed thinking on flow sheet design and equipment selection, and helps reduce the risk that product quality is discussed ahead of proper technical validation. His involvement also strengthens Fortuna's ability to connect metallurgy with future strategic, offtake or downstream discussions.

Ian Hind, Marketing Consultant

Ian Hind is a strategically important appointment because he adds commercial capability at a stage when Fortuna is beginning to think about product positioning and downstream relevance, not just geology. He brings more than 20 years' experience marketing mineral sands products to global customers through groups including Iluka Resources, Kimberley Mineral Sands and Strandline Resources.

That experience matters because premium natural rutile is not just a geology story. It is also a product and market story. He has also led various mineral sands offtake and marketing discussions and brings a strong background in shipping and logistics, including warehousing, bulk vessel chartering and container line contracts. Those skills are important because they connect product quality and customer strategy with the practical requirements of moving material into export markets.

His likely responsibilities therefore include shaping Fortuna's titanium and mineral sands marketing strategy, helping define product positioning, supporting engagement with potential customers or downstream groups, and ensuring that technical progress is framed with actual end-market requirements in mind.

For Fortuna, Ian Hind's appointment should help build the bridge between technical progress and commercial relevance earlier than many peers. It supports the view that management is not only trying to define a rutile discovery, but also trying to position Mkanda as a future premium feedstock opportunity with real market relevance, supported by customer-facing, logistics and offtake experience.

Why These Appointments Matter Collectively

Taken together, these recent appointments materially strengthen Fortuna's ability to progress through the next stage of project development.

Richard Stockwell improves the geological and resource-definition side of the business.

David Bougourd strengthens the metallurgical and process-development side.

Ian Hind adds market-facing and downstream commercial capability.

That combination is important because it aligns directly with the main questions the market will increasingly ask of Fortuna over the next phase of work:

- can the company convert exploration success into a meaningful resource,
- can the mineralisation be processed into an attractive premium-grade rutile product,
- and can that product be positioned into credible end markets and strategic commercial relationships.

These appointments improve Fortuna's ability to answer all three.

Broader Benefit to the Company

More broadly, the recent hires show that Fortuna is building capability in line with the stage the company has now reached. The project is no longer only about proving geological potential. It is also about improving technical confidence, reducing avoidable development risk, and building the internal expertise needed to support future resource work, metallurgy, marketing and strategic engagement.

That is good for the company because it should improve decision-making, strengthen the quality of future technical outputs, and increase Fortuna's credibility with investors, counterparties and potential downstream partners.

Strategic US Cornerstone Investment

The completed strategic cornerstone investment from WNDRCO Holdings III LP **(WNDR)** is an important development because it has the potential to strengthen Fortuna in several ways at once. In our view, this announcement should not be seen simply as a capital raising. It is more significant than that. It combines balance-sheet support, third-party validation, access to a United States strategic network and a clearer pathway toward downstream engagement in titanium, graphite and rare earth markets.

Transaction Overview

Under the announced terms, WNDR has made a minimum A$8.6 million cash investment in Fortuna and, following shareholder approval and the issue of securities on 28 July 2026, holds approximately 18.57% of the company. The investment comprises the issue of **78.3 million fully paid ordinary shares at A$0.11 per share** together with **39.15 million options**, each exercisable at **A$0.11** and expiring on **30 June 2031**, subject to vesting conditions linked to the strategic partnership.

The issue of these securities was approved by shareholders on 13 July 2026 under the ASX Listing Rules, and the securities were issued on 28 July 2026, completing the transaction.

The structure is important because it is not framed as passive financial participation alone. The options are tied to specific commercial outcomes that would materially advance Fortuna's projects. These include strategic equity investment, mine development assistance or funding, and mineral offtake or downstream processing arrangements introduced through WNDR's network. In other words, the transaction is designed to incentivise WNDR not only to invest, but also to help Fortuna secure meaningful strategic relationships in the broader titanium, graphite and rare earth ecosystem.

Who WNDR Is and Why It Matters

WNDRCO Holdings III LP is a Silicon Valley-based, technology-focused investment firm with more than **US$3 billion in assets under management**. The group is positioned as a provider of strategic capital and operational support across technology-oriented sectors, with a growing interest in the critical mineral inputs that underpin advanced manufacturing, defence, aerospace and related industrial supply chains.

That matters because it gives the transaction a much broader context than a typical junior resource placement. WNDR is not being framed as a conventional mining investor. It is being framed as a strategic partner whose network and industry orientation may be relevant to future titanium, graphite and rare earth demand.

WNDR also has exposure to companies such as **SpaceX, Anduril Industries and Waymo**, which helps frame the group within sectors tied to defence, aerospace, robotics and advanced technology. That matters because it links Fortuna's Malawi projects to end-use markets where premium natural rutile, graphite and strategic critical minerals may become increasingly relevant.

In practical terms, this helps Fortuna in two ways. First, it broadens the relevance of the company beyond the usual small-cap mining audience. Second, it positions the project within a more strategic United States narrative centred on security of supply, advanced technology and defence-related demand growth.

Balance Sheet Strength and Funding Runway

The most immediate benefit of the transaction is financial. The A$8.6 million investment materially strengthens Fortuna's funding position at a time when the company is moving into a more capital-intensive phase of work. The company is already undertaking multiple work streams including ongoing drilling, metallurgy, early development planning and the delivery of its maiden inferred resource.

The funds are intended to support further exploration and development at Mkanda and Kampini, including expanded drilling and feasibility studies, as well as general working capital. Fortuna is already progressing multiple work streams at Mkanda, and the additional funding is expected to help accelerate **hand auger, aircore and core drilling**. The maiden inferred resource was delivered on 15 July 2026, placing the WNDR investment directly alongside one of the company's most important technical milestones.

In practical terms, this should help Fortuna maintain momentum across drilling, metallurgy, resource-definition work and broader technical studies. That is important because junior explorers often lose momentum between discovery and resource definition when balance sheet capacity becomes constrained. This transaction reduces that risk and gives Fortuna more runway to continue executing.

Strategic Validation of the Project

The transaction also serves as an external validation point. Strategic capital coming from outside the traditional mining investor universe is often meaningful because it suggests the project is beginning to be viewed through a broader industrial lens.

In Fortuna's case, that validation matters because the company is trying to build a story around more than just geological potential. Mkanda is being positioned as a future source of premium rutile, graphite and potentially rare earth value streams that may be relevant to aerospace, defence, robotics and advanced manufacturing. A strategic investor with a strong United States technology network helps reinforce that framing.

This does not remove the need for Fortuna to continue delivering technically. The company still needs to convert exploration success into a resource, demonstrate product quality and advance the project through studies. The completed WNDR investment suggests that external groups can already see enough strategic relevance in the project to justify involvement at an early stage.

Commercial and Downstream Implications

One of the more important aspects of the transaction is the way the vesting conditions have been structured. The strategic value of WNDR is expected to come from introductions and commercial outcomes, not just capital. The categories described include:

- strategic investment at either company or project level representing around **10% or more** of Fortuna's issued share capital,
- mine development assistance or funding representing around **40% or more** of reported capital expenditure,
- mineral offtake or downstream mineral processing covering around **25% or more** of an initial production target,
- broader commercial partnerships with parties across the titanium, graphite and rare earth ecosystem.
- Those thresholds are meaningful because they show the company is targeting outcomes that would materially advance project development, rather than symbolic introductions. The vesting framework is therefore designed to align WNDR's commercial efforts with Fortuna's development ambitions.

This is highly relevant because Fortuna is already building internal capability on the commercial side through the appointment of Ian Hind, while metallurgical test work has produced a 96.66% TiO_2 rutile product for downstream evaluation. The WNDR partnership therefore fits neatly into the broader corporate strategy. Fortuna is not waiting until after a future feasibility study to begin thinking about market access. It is starting to build the commercial architecture earlier.

For the company, that is a significant positive. It increases the possibility that future technical milestones, such as metallurgy and resource growth, can be matched with increasingly credible strategic conversations on product placement, processing and funding pathways.

Additional Corporate Alignment

Fortuna also received shareholder approval on 13 July 2026 to issue 19,575,000 options to Chairman Peter Pawlowitsch on the same terms as the WNDR options. These options are intended as an incentive to assist Fortuna and WNDR in fostering new strategic relationships for the company within the United States.

This detail is relevant because it shows the board is aligning senior corporate leadership with the same strategic objectives embedded in the WNDR partnership. It suggests the company wants the chairman actively involved in helping translate the relationship into introductions and commercial outcomes, rather than treating the transaction as a passive financing event.

Why This Is Particularly Relevant to Fortuna

This strategic investment is especially important because it aligns with the nature of Fortuna's project rather than sitting outside it.

Fortuna is not developing a generic bulk commodity story. It is advancing a rutile project in a globally important district, with graphite and heavy rare earth upside, and is attempting to position that portfolio into premium and strategic end markets. The company has also been emphasising the role of natural rutile in titanium metal supply chains linked to aerospace, robotics and defence.

Against that backdrop, a United States strategic partner with technology and industrial connections makes sense. It gives Fortuna a route to frame Mkanda and Kampini not only as exploration assets, but as future strategic supply opportunities. That is potentially very valuable because it can widen the investor base, improve the quality of future commercial discussions and differentiate Fortuna from peers that remain more purely exploration-driven.

Titanium Dioxide, Rutile and Strategic Demand

TiO_2 Pricing and Trade Dynamics

The pricing environment for titanium products is no longer being shaped only by normal pigment-cycle dynamics. It is increasingly being influenced by trade intervention, higher energy costs, feedstock inflation and tighter shipping conditions. Titanium dioxide remains the largest end market for titanium feedstocks, and recent pricing conditions show that TiO_2 is no longer simply an oversupply story. Anti-dumping duties in Europe, together with China's dominant export and capacity position, are reinforcing the idea that titanium product pricing is becoming more closely tied to trade policy and supply-chain security.

This is important because the broader titanium chain remains highly concentrated. China has become the dominant force in titanium dioxide, with exports rising from just **48,000 tonnes in 2010** to more than **1.7 million tonnes in 2025**, while capacity reached **5.7 million tonnes** by the end of 2025. That level of concentration matters because it increases the strategic value of alternative and secure supply pathways.

Rutile Pricing and Premium Positioning

Natural rutile remains one of the most attractive titanium feedstocks because of its high purity and relatively simple downstream processing profile. While public rutile price discovery is less transparent than for exchange-traded commodities, the market continues to place a premium on quality natural rutile because buyers are not only paying for titanium units, but also for lower impurity levels, lower processing complexity and stronger security of supply.

That premium is becoming more important as downstream users place greater emphasis on product quality, traceability and operating efficiency. In practical terms, natural rutile sits at the premium end of the titanium feedstock chain, which is one of the reasons large-scale rutile discoveries remain strategically valuable despite the relatively opaque nature of contract pricing.

Supply Concentration and Strategic Relevance

The higher-value end of the titanium market is becoming increasingly concentrated. Global titanium sponge production was about **320,000 tonnes in 2024**, of which China produced 220,000 tonnes, or roughly 69% of global supply, a share that has since risen to around 70%. This is a significant strategic consideration because titanium sponge feeds into titanium metal applications used in aerospace, defence, industrial engineering and high-performance manufacturing.

At the same time, titanium itself is increasingly being viewed as a strategic material rather than purely an industrial mineral input. It remains critical for **jet engine parts, missile casings, rocket components, submarines and naval vessels**, which means the market is now paying greater attention to upstream titanium feedstock security, not just downstream industrial demand.

Iran-Israel War and Demand Implications

The Iran-Israel war has added another layer to the titanium market narrative by increasing energy, freight and supply-chain risk. The most immediate effect has been through oil, gas and shipping markets rather than through direct mineral disruption. Brent crude has recently traded around **US$94.58 per barrel**, while WTI has traded near **US$91.74 per barrel**, as renewed escalation raised concerns around the Strait of Hormuz and regional energy flows.

For titanium dioxide, this matters because pigment production is highly sensitive to energy, feedstock and logistics costs. Higher oil, gas and freight prices can tighten producer margins and support firmer TiO_2 pricing, even if end-market demand remains mixed. The World Bank's expectation of a **24% rise in energy prices in 2026** further reinforces this point.

The war also strengthens the strategic case for premium rutile. Conflict in the Middle East has sharpened government and investor attention on defence-industrial supply chains, which in turn supports demand logic around high-purity titanium feedstocks. While this does not automatically create immediate spot demand for every rutile project, it strengthens the broader strategic rationale for secure, high-quality rutile supply capable of feeding allied and traceable downstream markets.

Titanium Dioxide (TiO2) Prices May 2026

Region	Price (USD/Kg)	Latest Movement
Northeast Asia	2.29	11.2% ↑ Up
Europe	3.71	10.4% ↑ Up
Southeast Asia	2.69	6.7% ↑ Up
North America	2.85	10.0% ↑ Up

Source:Imarc

Why This Matters for Fortuna

For Fortuna, this market backdrop is important for three reasons.

First, the company is operating in a commodity segment where premium product quality matters, and natural rutile remains scarce on a global basis.

Second, the titanium market is becoming more strategically driven, with growing emphasis on supply concentration, trade intervention and security of supply.

Third, the added effect of the Iran-Israel war has increased attention on energy costs, freight disruption and defence-linked industrial demand, all of which favour high-purity and lower-complexity feedstocks over lower-quality alternatives.

That is why Mkanda's product-quality pathway is so important. Fortuna is not simply defining a rutile resource. It is working toward defining a premium rutile product with increasing relevance to titanium dioxide, titanium metal and broader critical-mineral supply chains. If the company continues to demonstrate concentrate quality, expanding scale, multi-commodity upside and a credible route to market, it will remain well positioned in one of the more strategically relevant parts of the titanium feedstock market.

Rutile: A Scarce Critical Mineral

Natural rutile is a highly sought-after, high-grade titanium feedstock for pigment production, titanium metal, welding electrodes and advanced manufacturing, currently selling for approximately **US$1,100–1,300 per tonne**. Demand is being reinforced by next-generation robotics and humanoids, where titanium's rare combination of lightweight strength and durability is becoming essential. With traditional rutile deposits becoming exhausted and legacy producers in decline, supply is anticipated to tighten.

Conclusion: Positioned for Increasing Strategic Relevance

Fortuna Metals is no longer simply an early land-positioning story. The company has now established a much stronger technical and strategic foundation through a maiden Inferred Mineral Resource Estimate, an expanding rutile footprint, higher-grade core zones, encouraging shallow drilling, graphite and heavy rare earth upside, and completed metallurgical work confirming a premium rutile product. Taken together, these developments have moved Mkanda beyond concept stage and into a more credible discovery and resource-definition phase.

What makes Fortuna increasingly compelling is the combination of attributes now coming together in one project. Mkanda sits in the same broader basin as Kasiya, within a geological setting already proven to host world-scale rutile and graphite mineralisation. At the same time, Fortuna has begun to define its own footprint, with coherent anomalies now extending across a substantial area, supported by multiple shallow high-grade drill results and a maiden Inferred Mineral Resource of 298Mt @ 0.87% rutile and 1.19% TGC (0.7% cut-off) for 2.6Mt of contained rutile. This gives the company a much stronger basis for future resource growth and peer comparison than is typical for a junior explorer at this stage.

The investment case is also strengthening beyond geology alone. Metallurgical work has confirmed a premium rutile product grading 96.66% TiO_2, while the presence of graphite, monazite and xenotime points to broader strategic minerals optionality. Recent technical and commercial appointments have improved the company's ability to advance resource work, define product quality and build market relevance. In parallel, the completed A$8.6 million WNDR cornerstone investment has strengthened the balance sheet, with cash of A$12.8 million at 30 July 2026, and widens Fortuna's exposure to downstream strategic markets in the United States.

The broader market backdrop also remains supportive. Natural rutile is scarce, high-purity titanium feedstocks are becoming more strategically important, and supply-chain concentration is increasing the value of secure and traceable sources of premium material. In that context, Fortuna is not simply trying to prove mineralisation. It is working toward defining a project that could be relevant to titanium dioxide, titanium metal and broader defence, aerospace and advanced manufacturing supply chains.

Fortuna remains early stage, and that still brings execution, funding and technical risk. The next steps matter greatly, particularly deeper drilling, resource conversion, metallurgy and continued commercial progress. Even so, the company now appears well positioned for a meaningful re-rating if it can continue converting its current technical momentum into resource growth and a clearer development pathway. In our view, Fortuna has advanced into a much more serious and strategically relevant position within the rutile and critical minerals space, with clear scope for further value creation as the project matures.

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