



Tribeca Global Natural Resources Strategy Insights

13 October 2026

Defence Spending – From Mine to Missile

Dear Investor,

Global military expenditure has entered a sustained expansionary cycle. Munitions consumption in the Russo-Ukrainian and Iran wars has significantly depleted Western stockpiles and exposed decades of underinvestment in defence production. Together, these pressures are driving rapid rearmament and capacity expansion. This shift will drive demand growth for key commodity inputs well beyond today's conflicts. In our view, defence spending will ultimately be several times more important to commodity consumption than Chinese urbanisation was.

Portfolio Manager Ben Cleary explains below why global rearmament is likely to endure and how it is driving demand for tungsten, copper and metal powders—materials that are essential to modern defence systems, difficult to substitute and constrained in supply. The Tribeca Global Natural Resources Strategy has strategic exposure across this value chain through companies such as Allied Critical Metals, Cobre and 6K Additive. More than half of the portfolio is directly benefiting from higher defence spending, and we believe these holdings could deliver 5-10x upside in the coming years.

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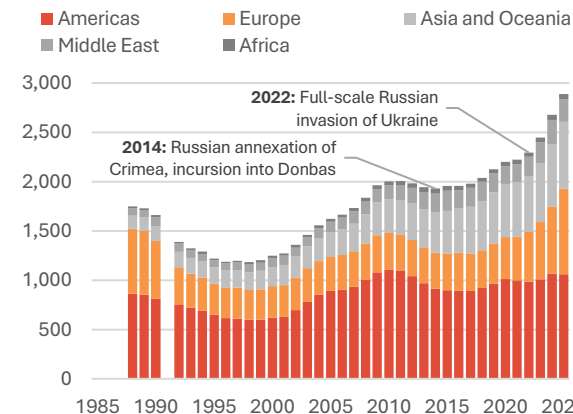
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Defence Spending | Driven by Rearmament

Defence spending has entered a period of structural growth as a more fragmented geopolitical environment forces governments to rebuild military capability. Global military expenditure rose for an 11th consecutive year to US\$2.9 trillion in 2025, or 2.5% of global GDP – the highest proportion since 2009. This expansionary cycle began after Russia’s annexation of Crimea and incursion into the Donbas region in 2014 and has accelerated amid the country’s full-scale invasion of Ukraine. We anticipate a further acceleration due to the recent conflict in the Middle East.

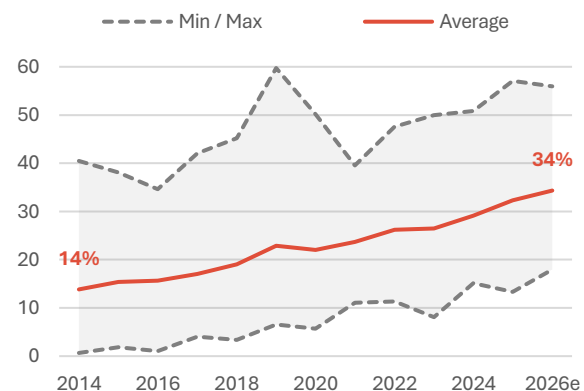
Global Military Expenditure by Region

US\$ Billions



NATO Defence Spending

Equipment (% Total)



Sources: SIPRI Military Expenditure Database, North Atlantic Treaty Organisation, Tribeca Investment Partners.

Replenishing depleted munitions stockpiles has been an important driver of higher defence expenditure and, in our view, will remain so. The share of NATO defence spending on equipment – including weapons, munitions and vehicles – has risen from 14% in 2014 to an estimated 34% in 2026, reflecting both the modernisation of military capability and efforts to replace equipment supplied to Ukraine. Separate US experience illustrates how current operations can deepen this requirement. The Centre for Strategic and International Studies estimated the initial 39-day bombing and air-defence campaign against Iran depleted US Tomahawk inventories by roughly one third. They are not expected to return to pre-war levels – already reduced by military aid to Ukraine – until 2031. This prolonged rebuilding period leaves the US and its allies more exposed in the event of a Western Pacific conflict – a bipartisan concern raised in meetings with members of US congress earlier this year – and makes faster rearmament a strategic priority.

Key US Munitions Stockpiles and Timelines to Rebuild

Munition	Estimated use in Iran War	FY 2027 Request	Deliveries in FY 2026	Annual Production (Maximum Capacity)	Estimated Return to Pre War Inventory
Tomahawk	1,000+	785	207	600	Late 2030 – early 2031
THAAD	190-290	857	92	96	Mid to late 2029
Patriot	1,060-1,430	3,203	172	2,000	Mid-2029
SM-3	130-250	214	52	156	Early 2029
SM-6	190-370	540	125	239	Late 2028 – early 2029
JASSM	1,100+	821	484	860	Mid-2027
PrSM	40-70	1,134	70	680	Late 2026

Source: Centre for Strategic and International Studies, May 2026. Current maximum capacity represents that achievable with existing facilities. The Trump administration has signed multiyear framework agreements with industry that, in most cases, expand production capacity beyond the current surge level. THAAD = Terminal High Altitude Area Defence, SM-3 = Standard Missile-3, SM-6 = Standard Missile-6, JASSM = Joint Air-to-Surface Standoff Missile, PrSM = Precision Strike Missile.

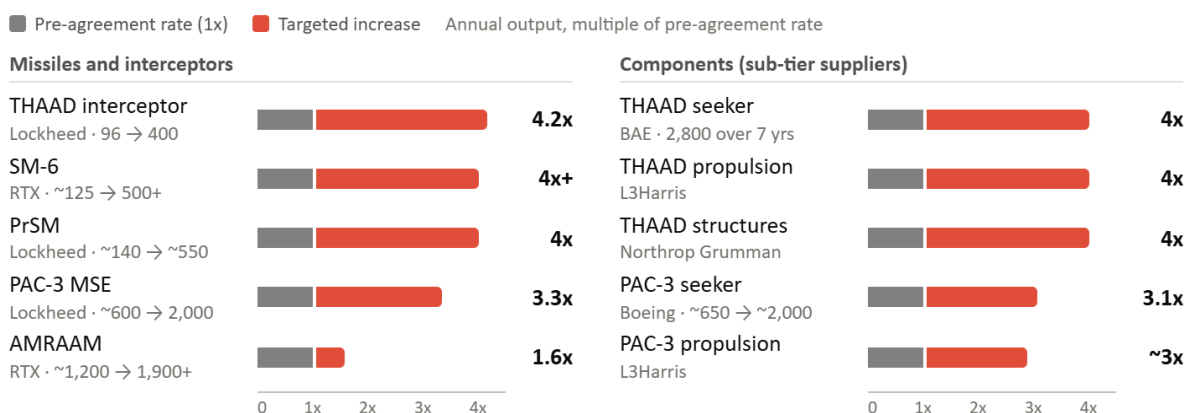
The West is expanding its defence industrial base to reduce this vulnerability. Slow stockpile restoration reflects constrained industrial capacity rather than an unwillingness to spend: decades of industry consolidation and peacetime procurement have left production lines unable to replace weapons at modern wartime consumption rates, while narrow supply chains limit reliable access to critical inputs. Addressing both constraints requires a shift to wartime procurement built on longer contracting commitments, expanded manufacturing capacity and more resilient supply chains. That shift is now underway.

Wartime Procurement | How to Ensure Expansion

Defence procurement has shifted from “just-in-time” contracting towards aggressive multi-year procurement to support sustained and expanded production. In July 2026, the US Army converted a single-year US\$4.7 billion deal into a seven-year contract worth up to US\$58.6 billion with Lockheed Martin to manufacture Patriot interceptor missiles through 2032. Similarly, in October 2026, the US Department of Defence (DoD) awarded Raytheon a US\$24.4 billion contract to build Standard Missile-6 interceptors for a period of up to seven years with the explicit objective of increasing annual output.

These mandatory multi-year commitments give prime contractors and sub-tier suppliers the revenue visibility needed to attract private capital, build production facilities and automate bottlenecked processes. The result is not just higher utilisation of existing lines, but a shift from low-volume, specialised manufacturing towards sustained industrial-scale output.

2026 Multi-Year Frameworks Target 3-4x Output from Primes down to their Suppliers



Sources: company releases, CSIS, Reuters, Bloomberg. Figures are units per year. Pre-agreement rate = latest stated output or capacity. Targets mostly by ~2030, subject to appropriations. THAAD = Terminal High Altitude Area Defence, SM-6 = Standard Missile-6, PrSM = Precision Strike Missile, PAC-3 = Patriot Advanced Capability-3, AMRAAM = Advanced Medium-Range Air-to-Air Missile.

Additionally, governments are shoring up supply chains to reduce reliance on foreign sources of critical components and materials. The Trump administration is directly supporting the financial viability of domestic critical-mineral extraction and processing. In September 2026, the Pentagon invested US\$450 million in Elmet Group, the only fully integrated, US-owned tungsten producer. Through Project Vault, a US\$12 billion public-private partnership with global commodity traders, it is also purchasing and storing commodities at domestic facilities to secure access to necessary inputs.

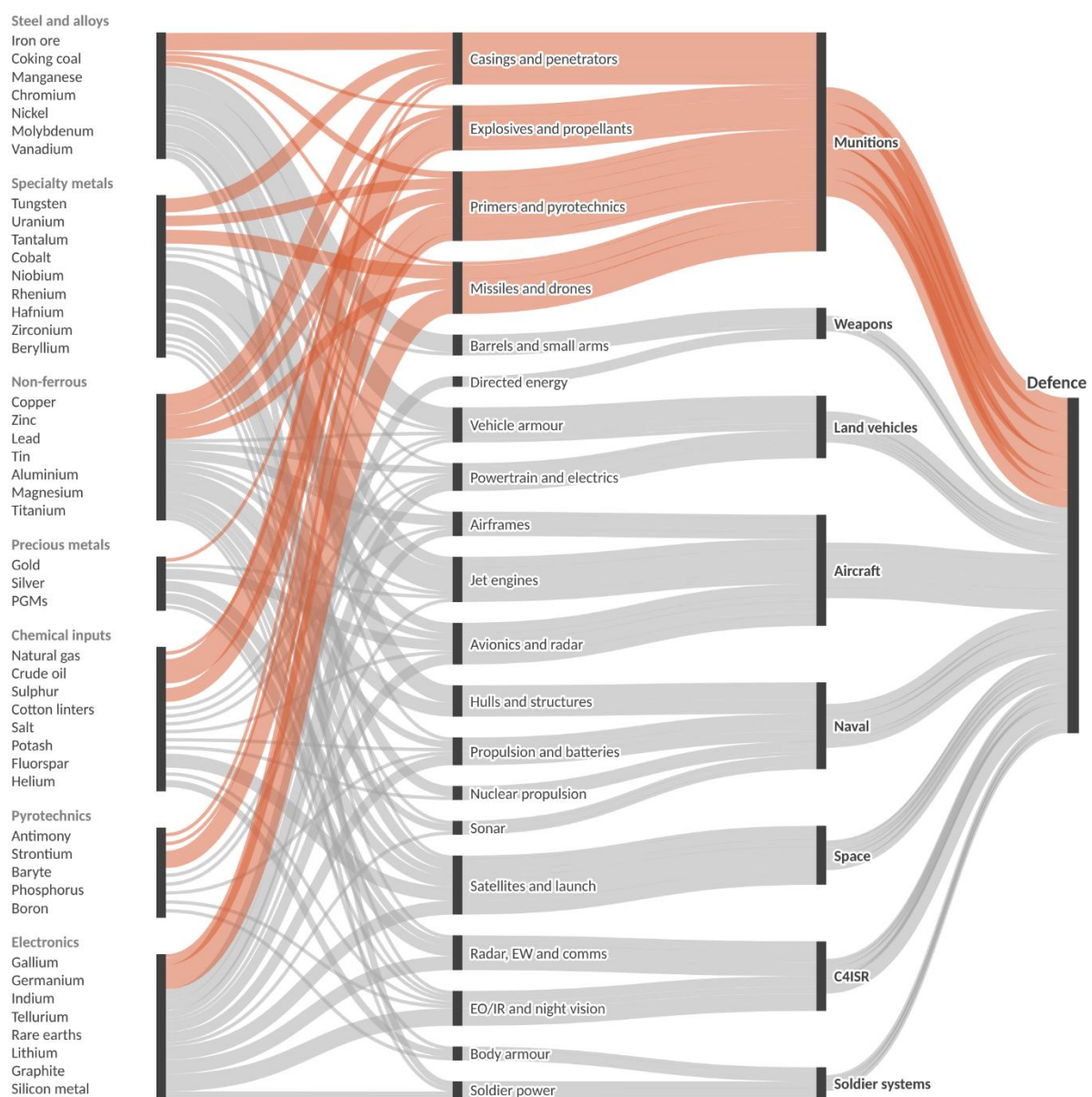
Wartime procurement increases commodity demand through three reinforcing channels. First, replenishing depleted munitions inventories raises the volume of materials consumed. Second,

expanding production capacity requires materials for both additional weapons and the manufacturing infrastructure used to produce them. Third, stockpiling and domestic-sourcing policies bring forward purchases of strategically important inputs. Together, these channels should support demand growth and place upward pressure on prices, although the effect will vary by commodity according to its role in defence systems and the constraints on new supply.

Metal Demand | Not All Inputs are Equal

While global rearmament will lift commodity demand broadly, the greatest benefits should accrue to materials that are essential to modern defence systems—particularly munitions—difficult to substitute and exposed to concentrated or otherwise constrained supply chains. In our view, tungsten, copper and metal powders best meet these criteria.

Sankey Diagram of Commodities and their Respective Defence Applications

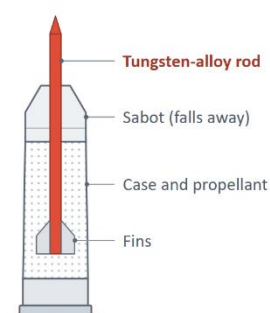


Source: Tribeca Investment Partners analysis. Compiled from USGS, US Defense Logistics Agency, European Commission (JRC), IEA and technical literature. Chart construction after European Commission JRC (2023). Flow width denotes the number of commodity-sub-system dependencies identified, not volume or value.

1. Tungsten | At the Pointy End

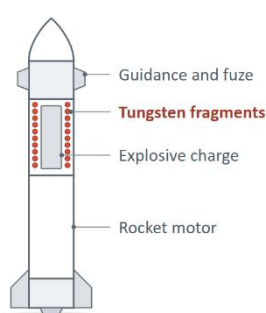
Tungsten is critical to the kinetic energy penetrators (KEPs), pre-formed fragments and armour-piercing (AP) cores of modern munitions. Its exceptional density concentrates mass and energy in slender penetrators and compact fragments, increasing their destructive effect without enlarging the warhead. Its 3,422°C melting point—the highest of any metal—preserves strength under the heat of flight and impact, while tungsten carbide’s near-diamond hardness of about 9 on the Mohs scale prevents AP cores from flattening on impact. Where toxicity and radiological concerns limit the use of depleted uranium, tungsten is the principal material for penetrators. These properties also support its use in armour, fragmentation warheads, radiation shielding and military jet-engine superalloys.

Where Tungsten Goes in Munitions



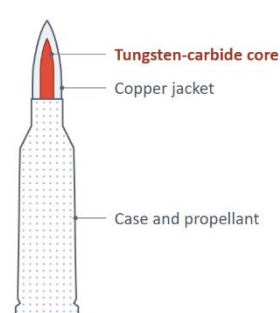
Tank rounds (APFSDS)

120mm rounds fire a 4–4.6 kg tungsten-alloy rod; the sabot falls away



Guided rockets (GMLRS-AW)

160,000–182,000 preformed tungsten fragments around the charge



Armour-piercing bullets

Tungsten-carbide core inside a copper jacket, as in the M995 and M993

Source: Tibeca Investment Partners. Simplified illustrations, not to scale.

Defence accounts for 8% to 10% of global tungsten consumption. Argus and Project Blue forecast defence demand to grow by 8% to 15% per annum, potentially overtaking automotive demand by the early to mid-2030s. Supply is highly concentrated: China produces 80% of mined tungsten and has restricted exports of key products since February 2025. Ex-China mines supplied only about 37% of tungsten demand outside China in 2025. S&P Global estimates that, even if all 11 announced projects proceed, this coverage would rise to only 68% by 2030.

This supply mismatch has prompted significant government investment in Western tungsten projects. The Tribeca Global Natural Resources Strategy is exposed through Allied Critical Metals, a Vancouver-headquartered developer of two wholly owned, past-producing projects in northern Portugal. Our recent US\$15 million strategic investment funds the company through first production from its Vila Verde pilot plant, expected in Q4 2026. We estimate the plant could generate annual earnings of about C\$60 million against an enterprise value of roughly C\$300 million.

2. Copper | Wired for War

Copper is used in nearly all modern defence systems, from munitions to advanced electronics in aircraft, armoured vehicles and drones. Its ductility makes it well suited to brass cartridge casings, driving bands on artillery shells and shaped-charge liners in anti-tank munitions, while its electrical and thermal conductivity supports compact wiring, actuators, circuit boards, radar and avionics in fighter jets and drones. Aluminium requires more space and is less durable under vibration, while silver is

prohibitively expensive. Copper is therefore difficult to substitute in applications where space and reliability are critical and is the second most-used material by the US DoD.

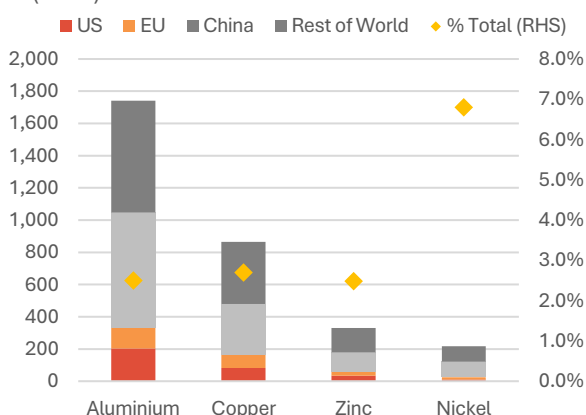
Copper Required in Defence Equipment

Platform	Copper Content
Munitions	
Ammunition casing	4-5 grams
Small-calibre ammunition	10-30 grams
Medium-calibre ammunition	30-80 grams
Large calibre ammunition	100 grams
Artillery shells	0.5-2 kg
Medium drones	2-3 kg
Large drones	3-5 kg
Other Equipment	
Fighter Jet	390kg
Submarine	10-30 tonnes
Frigate / destroyer	10-40 tonnes
Aircraft carrier	>100 tonnes

Sources: BofA Global Research, Institute of Defense Analyses, World Bank, Wood Mackenzie, Goldman Sachs Global Investment Research, Tribeca Investment Partners.

Total Metals Demand from Defence Sector

kt (2023)



Defence consumed more than 800 kt of copper in 2023, equivalent to about 2.7% of global demand, according to Goldman Sachs (GS). That volume exceeds BHP's FY26 equity share of production from Escondida, the world's largest copper mine. Although defence remains a modest share of the overall market, it is a fast-growing and price-inelastic source of demand that will increasingly compete with artificial intelligence and other expanding uses for supply. GS forecasts that higher European military spending will lift global copper-demand growth from 2.0% to 2.4% over 2025-27.

Global mined-copper production is entering structural decline, while China's control of almost half of refining capacity creates an additional supply-chain risk. These constraints strengthen the case for US stockpiling and domestic-sourcing measures, including tariff threats and Project Vault. The Tribeca Global Natural Resources Strategy maintains several strategic copper exposures, including Cobre, which is ramping up cathode production from its Sierra Atacama mine in Chile. Because cathode can be sold directly to Western industrial users, the operation may bypass third-party smelters and reduce exposure to concentrated refining capacity.

3. Metal Powders | From Dust to Thrust

Additive manufacturing (AM) is transforming modern missile production by using metal powders to 3D-print lighter and more complex components. Applications include propulsion, guidance and thermal-management systems. Ursa Major, for example, uses AM in the MK 104 motor fitted to Standard Missile-2, Standard Missile-3 and Standard Missile-6, while Lockheed Martin incorporates printed components in the Precision Strike Missile (PrSM) and Mako hypersonic missile for thermal management and guidance, respectively. Although public disclosures do not specify the alloys used in each weapon, defence AM typically relies on nickel superalloy powders for high-temperature propulsion parts, titanium powders for lightweight structures and copper-alloy powders for thermal management. Their ability to support integrated designs, lower weight and faster production makes these specialised powders an increasingly important input as missile output expands.

Aerospace and defence account for nearly 40% of demand for metal powders used in AM. The total metal powder market was valued at US\$7 billion in 2024 and is forecast to grow by 6.4% annually to US\$10 billion by 2030. Supply, however, remains constrained. In a recent meeting, US rocket motor supplier X-Bow Systems highlighted difficulties sourcing enough metal powder to manufacture propellants efficiently. Physical availability is restricted by the lengthy qualification and certification requirements to which producers' materials, processes and parts are subject. In response, Washington has used the Defence Production Act to fund metal powder producers and increased the Pentagon's additive-manufacturing budget by US\$3.3 billion, or 83% year on year.

Metal Powder Players



Ticker		6KA	IPX	3DA	MPW
Market cap (A\$m)		201	797	207	255
Capacity (Mt)	2024A	200	0	150	100
	2027E	1,000	1,400	920	800
Products		Powder / Alloy	Powder / Parts	Powder / Parts	Powder
Alloys		Ti, Ni, Cu, Fe, W, Nb, Ta, Re	Ti	Ti, Nb	Cu, Al, Ti
Unique IP		Yes	Yes	-	Yes
Sustainability		Yes	Yes	-	Yes

Source: Bloomberg, Company Filings, Tribeca Investment Partners. Pricing data as of Friday 9 October 2026.

Against this constrained backdrop, Tribeca maintains strategic exposure to metal powders through 6K Additive. Using its proprietary UniMelt process, the company converts scrap metal and out-of-specification powders into high-value metal powders and alloys for aerospace, defence, medical and industrial customers, with cost and production-speed advantages over conventional methods. Defence now represents more than 50% of its US\$250 million sales pipeline, up from 20% a year ago, and key customers include Boeing and Raytheon. Its ability to process DoD and other Western scrap, together with DFARS compliance and its expanding production capacity, supports potential market-share gains and the continued growth of its established business. In our view, these capabilities position 6K Additive to benefit from rising defence demand.

Conclusion

In our view, global rearmament presents a compelling structural opportunity. Defence budgets are rising as governments confront a more fragmented security environment, while depleted stockpiles and ongoing munitions consumption are driving a shift towards multi-year procurement, expanded manufacturing capacity and more secure supply chains. Together, these measures should sustain demand well beyond the current conflicts. Tungsten, copper and metal powders are particularly well placed to benefit: each is essential to modern defence systems, difficult to substitute and exposed to supply constraints ranging from concentrated production and long mine-development timelines to limited qualified manufacturing capacity. Allied Critical Metals, Cobre and 6K Additive provide the Tribeca Global Natural Resources Strategy with differentiated exposure across this value chain, spanning critical raw materials and a scalable Western source of advanced metal powders as investment in missiles, munitions, aircraft and other defence platforms continues to grow.

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