



Tribeca Global Natural Resources Strategy Insights

11 September 2026

Platinum Group Metals – Deficits a Decade in the Making

Dear Investor,

Platinum Group Metals are back in focus.

Valterra, the world's largest producer, has nearly doubled over the last 12 months, driven by a strengthening commodity price environment as the market realised demand is resilient while supply is in decline. The outlook remains robust and the inability of most incumbents to flex volumes higher has sparked a new wave of corporate activity.

Portfolio Manager Ben Cleary discusses below why the PGM market is tighter than consensus expectations, including declining primary production, insufficient growth and the false narrative that EVs will erode autocatalyst demand. The Tribeca Global Natural Resources Strategy maintains strategic exposure through Terra Metals, which provides diversified leverage to the commodity.

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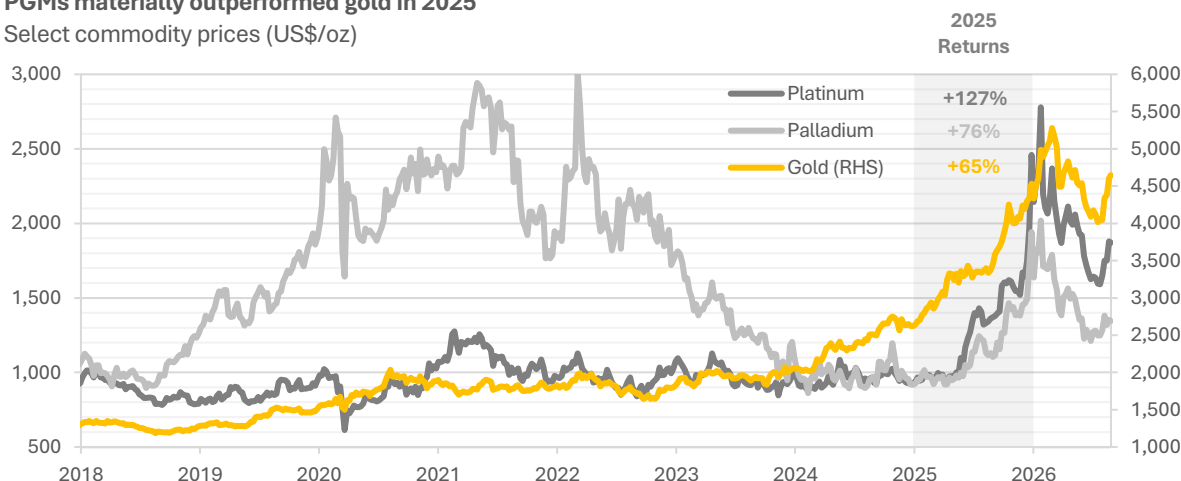
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What are PGMs?

Platinum Group Metals (PGMs) were among the world's best performing asset classes last year, with their namesake delivering returns near double gold. For most investors, however, the question remains: what are they? The often-overlooked siblings of gold and silver, PGMs are a family of precious transition metals prized for their high melting points, corrosion resistance and catalytic properties. Of the six – platinum, palladium, rhodium, ruthenium, iridium and osmium – the first three (the PGE3s) drive the economics, with a combined market of US\$30bn p.a. We focus on platinum and palladium.

PGMs materially outperformed gold in 2025

Select commodity prices (US\$/oz)



Sources: Bloomberg, Tribeca Investment Partners.

Geology 101 – Foreboding Formation

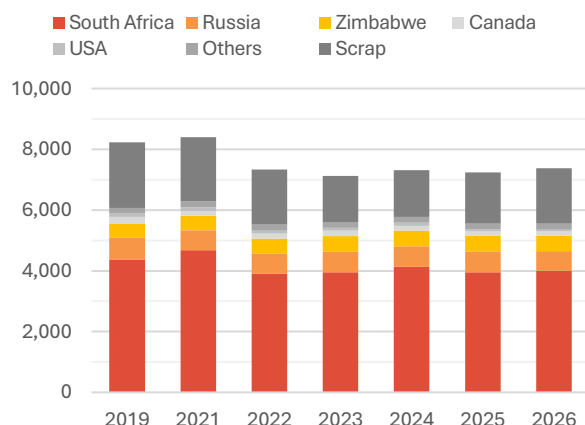
PGMs have a strong chemical attraction to sulphur. Given the chance, they'll abandon molten rock and bind to sulphide liquid instead. That's how nature concentrates them — but it takes scale: a vast volume of magma rising from deep, carrying more sulphur than it can keep dissolved. The excess separates out like oil from water and those droplets, being heavy, sink – stripping the metal from the melt as they fall. **Deposits generally settle in thin sheets (reefs), sometimes only a metre thick but running for hundreds of kilometres.** The catch is it takes a mantle plume to set that off, and Earth has produced only a handful. That's **effectively why the entire global PGM endowment sits in four known districts – South Africa, Russia, Zimbabwe and the US.**

Global Supply – Low Prices Cure Low Prices, But Can't Return Ounces

PGM output has fallen on price weakness and, in our view, can't fully recover. Metals Focus estimate total platinum and palladium supply of 7.4 and 9.2 million troy ounces (Moz), respectively, in 2026 – being ~12% below recent peaks. The driver of this decline has been palladium's fall from US\$3,000/oz in 2021 to US\$900/oz in 2023, which pushed more than a third of production into loss-making territory. Sibanye-Stillwater exemplified the response, shuttering two mines in South Africa and one in the US. Others rightsized and deferred growth. Much of this likely remains offline: when marginal assets are closed, their capacity is rarely recovered as infrastructure deteriorates, workforces disperse and restart capex inflates. Recycling continues to offer little relief. At 25-30% of supply, it's hindered by low scrappage rates as used car prices stay high.

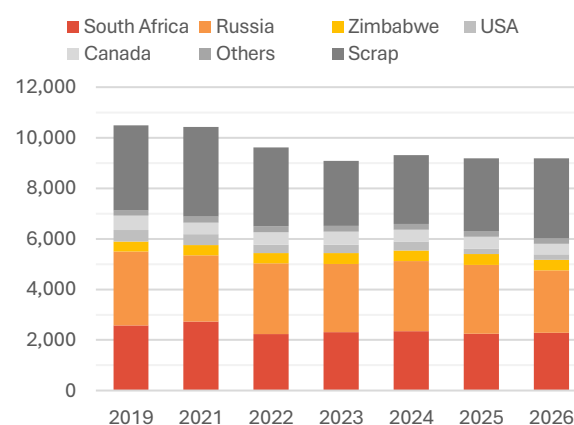
Global platinum supply -12% vs '21 peak

Thousand troy ounces by source



Global palladium supply -12% vs '19 peak

Thousand troy ounces by source

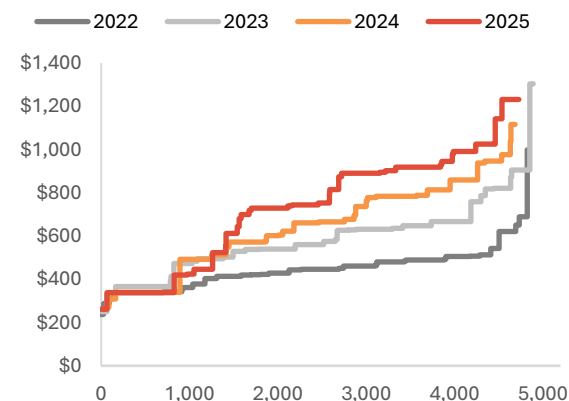


Sources: Bloomberg, Metals Focus, Tibeca Investment Partners. NB: Scrap represents global secondary supply. 2026 numbers are estimates.

Further, there are geologically embedded risks to remaining production. 70% of global platinum and 40% of global palladium output come from one jurisdiction and, largely, one geological setting: South Africa's Bushveld Igneous Complex. Its mineralisation occurs in thin, laterally continuous reefs about a metre thick which have been extracted progressively down-dip since the 1920s. The resulting mine profiles are narrow, deep and hot. Northam's Zondereinde extracts PGMs from reefs 1.1-1.6m thick up to 2.3km below surface where rock temperatures exceed 70°C. That complexity makes growth structurally implausible due to shaft bottlenecks, capital requirements and poor operating leverage.

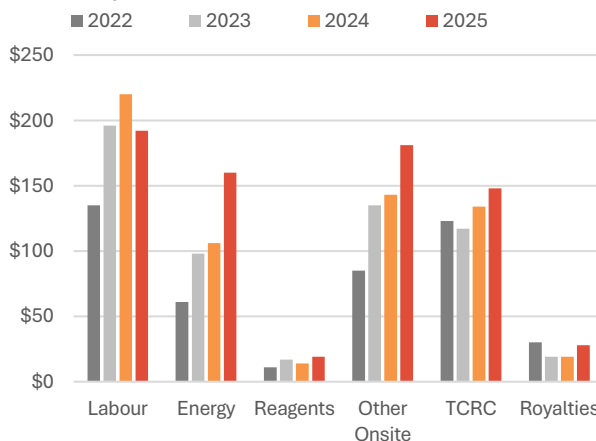
Total Platinum Unit Cash Cost

US\$/oz vs Cumulative Production (koz)



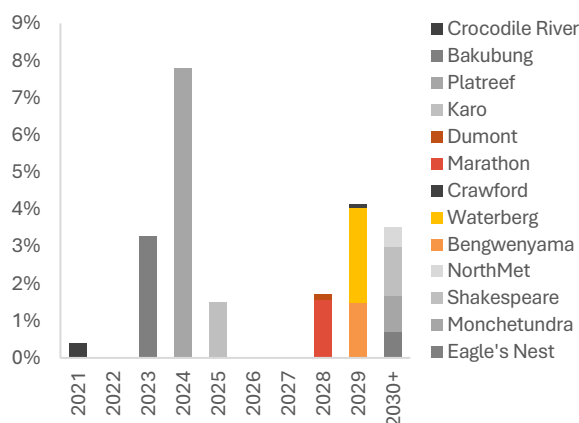
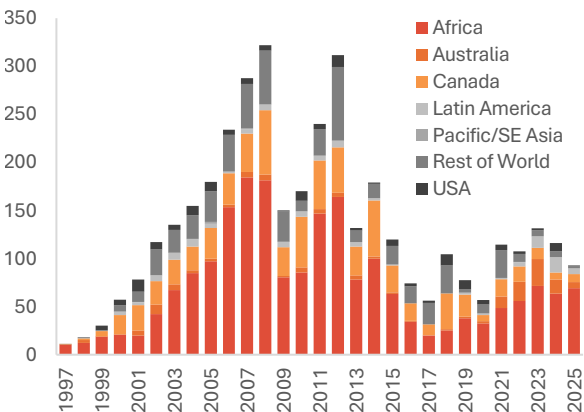
Platinum Cash Cost Breakdown

US\$/oz by cost contributor



Sources: S&P Capital IQ Pro, Tibeca Investment Partners.

Production costs have risen significantly in the last five years. The 75th percentile of the platinum cost curve – generally viewed as commodity price support – has risen ~90% since 2022. While fixed cost absorption on falling volumes has been one of the largest causes, inflation has actively contributed. Wages are up more than 40% from 2022 despite lower productivity on increased travel time at depth and safety stoppages. Energy costs also continue to rise, up more than 2.5 times over this four-year window. Part of this is due to South African state-owned electricity utility – Eskom – having placed seasonal tariffs on domestic miners who cannot switch off refrigeration or ventilation. While cost inflation has plagued the broader mining industry, jurisdiction and geology have been unkind to PGM producers. This means the incentive price for new production to come online is higher.

New PGE3 Annual Production
 Nameplate % of global demand

Exploration spend remains depressed
 Global PGM exploration budgets (US\$m)


Sources: S&P Capital IQ Pro, Tribeca Investment Partners.

Growth projects appear unlikely to arrest the mined production decline. The PGM development pipeline is thin: Waterberg, Marathon and Bengwenyama are the only sizeable greenfield projects with a credible path to production this decade. In aggregate, greenfield additions to 2030 represent ~5% of 2026 demand. While this is comparable to current deficits, it does not account for time taken to reach nameplate, execution risks nor production declines. Brownfield growth is similarly limited due to geological constraints. Its scarcity is highlighted by the several unsolicited bids made for Northam by key peers in August 2026. In our view, this was driven by desire for its growth optionality at Booyssendal and Eland. Further, exploration budgets have shrunk to less than a third of their peaks, meaning longer dated supply growth from the mid-2030s is likely to be thin.

Global Demand – Exhausting the Bear Case

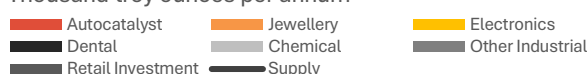
PGM demand has been resilient despite purported headwinds, and we think risks are skewed to the upside. Metals Focus estimate platinum demand of 7.7Moz and palladium demand of 9.6Moz in 2026, broadly flat year on year. This is set to outpace supply for a fourth year in a row and deliver deficits of ~5%. Autocatalysts are the key demand centre for PGMs – comprising ~40% of platinum demand and ~85% of palladium demand – with the remainder of end uses split between industry, medicine, jewellery and investment – all mature sources with emerging drivers.

Platinum Demand by Sector

Thousand troy ounces per annum


Palladium Demand by Sector

Thousand troy ounces per annum

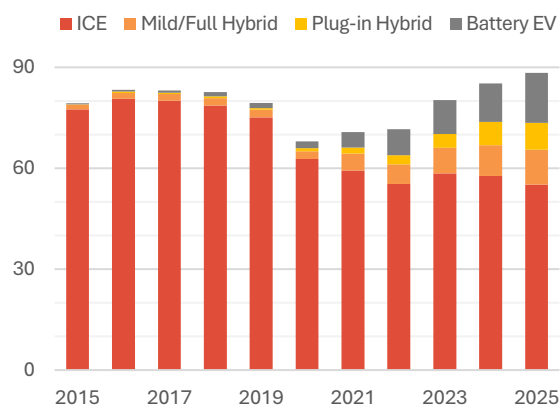


Sources: Bloomberg, Metals Focus, Tribeca Investment Partners. 2026 numbers are estimates.

We are not convinced by the prevailing narrative that rising EV penetration will erode autocatalyst demand. PGM-coated catalytic converters turn 90% of the harmful gases that would otherwise be emitted from an internal combustion engine (ICE) vehicle into less toxic ones before they reach the tailpipe. These devices are not required in battery electric vehicles (BEV). This underpins a simple narrative that has prevailed since the late 2010s: growing EV sales will decimate autocatalyst-related PGM demand. We believe this is a flawed view that fails to consider two key offsetting factors.

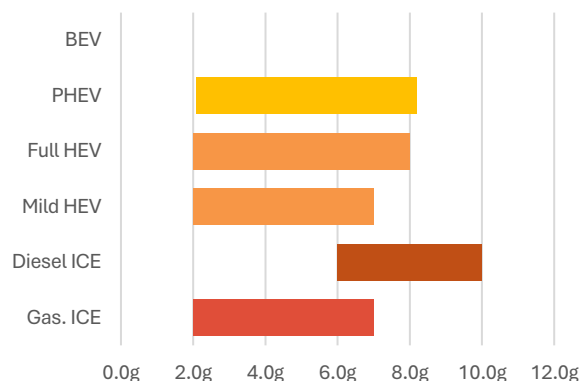
Hybrid sales are picking up the ICE slack

Global auto units sold by drivetrain (m)



Hybrids need more PGMs per vehicle

Global PGM loading weight per vehicle



Source: Bloomberg, WPIC Research, Tribeca Investment Partners.

1. Global consumer preference is for PGM-bearing-EVs: Hybrid electric vehicles (HEVs) and plug-in hybrid electric vehicles (PHEVs) have sold ~30% more units than BEVs over the last five years. Both use combustion engines alongside electric motors and need catalytic converters. While their engines are smaller than ICE equivalents, they cycle off constantly and need more PGMs per litre of displacement to overcome a colder, stop-start catalyst – leaving total PGM loading per vehicle flat-to-up. Consequently, global sales of autocatalysed vehicles (i.e., total less BEVs) are only ~5% below pre-COVID levels but with a higher loading, keeping demand for PGMs flat.
2. PGM loading per vehicle is climbing for regulatory reasons: While China's current emission standards require only 3-4 grams of PGMs per vehicle, a review slated for implementation between 2028 and 2029 should see this rise to 5 grams. This would close as much as half the gap to developed-market levels (EU, Japan use 7-9 grams) on the largest vehicle base in the world and presents significant upside risk to the outlook for autocatalyst demand for PGMs.

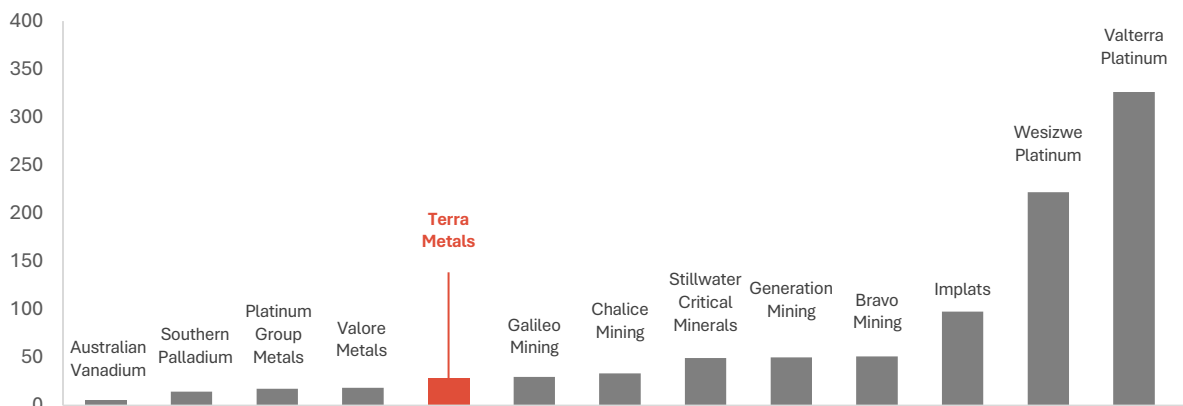
Data centres and defence spending are emerging tailwinds. Hard drives store data on platinum-alloy-coated discs, and the shift to heat-assisted magnetic recording is raising platinum intensity, requiring an iron-platinum coating of 50% platinum versus 10-20% today. With AI lifting data volumes, hard drives remain the only economic storage at scale. Valtterra estimates current AI-related demand at 200-400koz, or 1-2% of total end use, with scope to rise fivefold by 2030. PGMs are also critical inputs in jet engines, missiles and military electronics, listed by six of the largest western military powers as critical minerals. Global defence spend reached US\$2.9 trillion in 2025, an 11th consecutive annual increase, and we think this will continue to rise in an increasingly deglobalised world. While historically a smaller subset of demand, military demand should help keep stocks tight. We anticipate existing demand sources will hold fast while emerging drivers will further widen deficits.

A Generational Asset with Exceptional Development Potential

The Tribeca Global Natural Resources Strategy maintains strategic exposure to PGMs through Terra Metals (TM1). Terra is a well-capitalised explorer with one of the most exciting assets globally: the Dante project in Western Australia. It is drilling out the recently discovered Southwest prospect, which has drawn direct geological comparison to the Bushveld. Southwest runs over 1,100m of strike, 700m of width and is open in all directions. More impressively, it starts at surface and has a true thickness of ~400m – a key departure from thin Bushveld reefs. Also unique is that it is a recent discovery and located in Australia. All of these factors make it an attractive takeout target for growth-hungry

Terra presents an attractive expansion and re-rating story during its development phase

A\$ EV/oz Contained Au-Eq



majors.

Sources: Bloomberg, MST Access, Tribeca Investment Partners. Data as of 20 August 2026.

Despite having returned ~140% over the last 12 months – significantly in excess of key producers – Terra’s valuation remains undemanding. Applying developer EV/oz multiples to the conservative resource base estimated by MST Access yields a valuation in excess of A\$1.00 per share, or more than 300% upside to current levels. These multiples sit well below producers, suggesting further upside as the company transitions into production. Terra had A\$70m in cash as of 30 June 2026, enabling it to pursue an aggressive 30,000m drilling program at Southwest before delivering a maiden resource in 2027 as well as a Dante Reefs update. We believe these catalysts are key de-risking milestones for the company and will see value realised upon delivery.

Conclusion

In our view, PGMs present a compelling asymmetry: supply is increasingly constrained by geology, cost inflation, jurisdictional concentration and a thin development pipeline, while demand is proving more durable than consensus has assumed, underpinned by hybrid vehicle penetration, tightening emissions standards and emerging industrial drivers such as AI-related data storage and defence. Against this backdrop, the market appears ill-prepared for sustained deficits and higher incentive prices. Terra Metals provides the Tribeca Global Natural Resources Strategy with differentiated exposure to this structural opportunity through a rare, large-scale discovery in Western Australia with near-term drilling and resource catalysts, a strong balance sheet and meaningful valuation upside should Dante continue to demonstrate its development potential.