

MRZ • ASX

MRZ.ASX

MRZ.ASX - FY2026 Research Report

RATING

SPEC BUY

PRICE TARGET

\$0.735

+250%

CURRENT PRICE

\$0.21

+0.05%

MARKET CAP

A\$39M

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Valuation & Financials

Summary Valuation

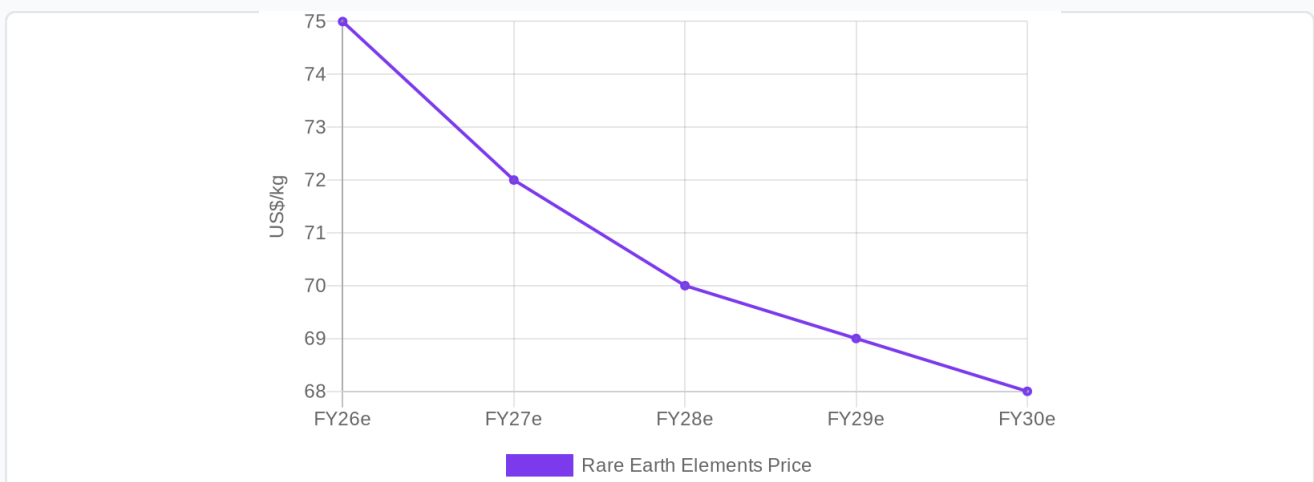
Target Price	NAV / Share	IRR	Project NPV
\$0.735	\$0.00	98.3%	A\$2.9B

Commodity Assumptions

Rare Earth Elements

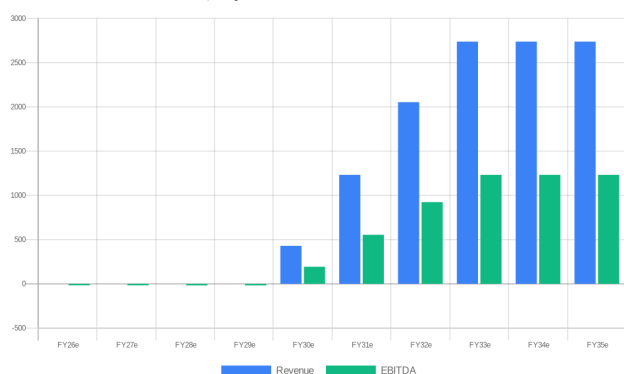
Grade	Recovery	Payability
1.9%	85%	90%

YEAR	FY26E	FY27E	FY28E	FY29E	FY30E
Price (US\$/kg)	75.00	72.00	70.00	69.00	68.00

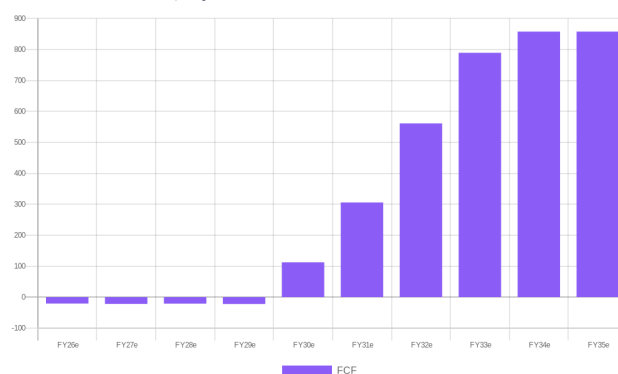


Forecast Financials

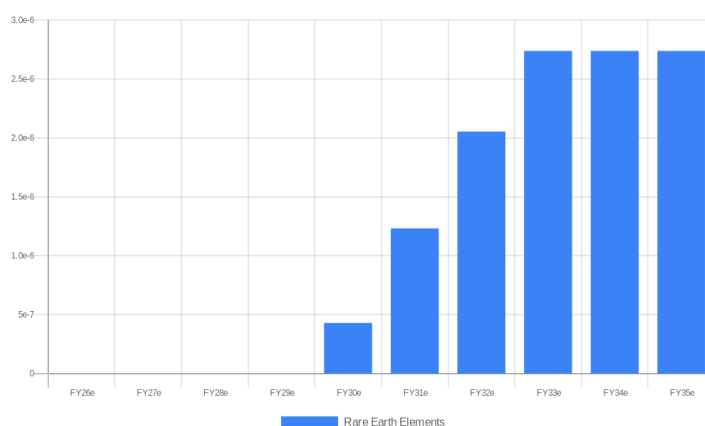
Revenue & EBITDA (A\$m)



Free Cash Flow (A\$m)



Revenue Mix by Product (A\$m)



Line Item	Unit	FY26e	FY27e	FY28e	FY29e	FY30e	FY31e	FY32e	FY33e
Production									
Ore Processed	Mt	0.00	0.00	0.00	0.00	0.30	0.90	1.50	2.00
Utilisation	%	0.00	0.00	0.00	0.00	15	45	75	100
Earnings									
Sales Revenue	A\$m	0	0	0	0	430	1,232	2,054	2,738
Operating Costs									A\$m
Corporate & Other Costs									A\$m
EBITDA	A\$m	-17	-17	-18	-18	193	555	924	1,232
Cash Flow									
Operating Cash Flow									A\$m
Capex	A\$m	3	3	0	0	1	2	4	5
Free Cash Flow	A\$m	-21	-22	-21	-22	112	306	561	789
Balance Sheet									
Net Debt / (Cash)									A\$m

* Detailed model available upon request. Forecasts are estimates only.

Valuation framework and scenarios

KEY POINTS

- Given the lack of published PEA/PFS economics in the provided materials, valuation is best framed as probability-weighted optionality using a stage-gated risked NAV scaffold, cross-checked to peer EV per resource metrics.
- The dominant economic sensitivities are NdPr/basket pricing and payability, flotation grade-recovery and impurity department, and infrastructure-driven capex/opex for a remote Québec setting.
- Fluorspar is best treated as contingent upside until repeatable product specs and a credible marketing pathway are evidenced, because it can add both credits and flowsheet complexity.
- Per-share outcomes are highly exposed to financing path and dilution, given a large equity-linked overhang relative to basic shares and the likelihood of further capital needs through PFS.

Valuation framework: why a stage-gated approach fits MRZ

MRZ is a pre-revenue developer, and the provided disclosures do not include the inputs required to build a decision-grade discounted cash flow (DCF) (mine plan, capex/opex, schedule, tax/royalty, payability/penalty terms, and transport/power assumptions). In that setting, the most defensible framework is a stage-gated, probability-weighted risked NAV (rNAV), supported by peer multiple cross-checks and an option-value lens.

- rNAV (primary): reflect that most of the project's value is contingent on moving from today's study/metallurgy stage to a financeable PFS/FS. Probability weightings are explicitly tied to milestones (metallurgy repeatability, product specification, infrastructure definition, permitting pathway, and funding structure).
- Peer EV/resource cross-check (secondary): useful to test whether the market's implied valuation is broadly consistent with other Western-listed REE developers at a similar stage, acknowledging that EV/resource can be misleading without adjusting for metallurgy, by-product credits, capex intensity, and product route.
- Option-value framing (behavioural): for early-stage developers, equity often trades like a call option on (i) positive study outcomes and (ii) the ability to finance those outcomes with manageable dilution. MRZ's current EV provides a reference point, but the "option premium" is sensitive to catalysts and funding conditions.

MRZ discloses a corporate valuation snapshot (A\$38.2m market cap; A\$27.7m EV; A\$10.5m cash). These figures can be used as the anchor for market-implied expectations, rather than as evidence of intrinsic project value.

Key drivers and sensitivities to parameterise

In the rNAV build (to be populated once the updated PEA is available), the following parameters are likely to dominate value.

Revenue side: NdPr/basket pricing and realised payability

MRZ describes a magnet-REE-weighted basket and provides a “basket value” reference (US\$24.15/kg) and magnet REO share (93%). For valuation, the more decision-useful driver is not the headline basket, but realised pricing:

- product form assumed (mineral concentrate vs mixed/separated products);
- payability and penalty structure driven by impurity department;
- NdPr price deck and volatility.

A practical sensitivity set would stress NdPr/basket $\pm 20\text{--}30\%$ and payability/penalties (e.g., a 5–10 percentage point swing in payable value), because these often move NPV more than modest changes in head grade.

Metallurgy: grade–recovery–impurity triangle

MRZ discloses historical flotation outcomes (concentrate grade $\sim 35.8\text{--}36.8\%$ REO and recovery $\sim 65\text{--}68\%$) and ongoing optimisation/variability work using a ~ 700 kg bulk sample, including larger-batch test capacity (up to ~ 400 kg). MRZ also cites hydromet recoveries ($\sim 95\%$ for LREE; $\sim 82\%$ for HRRE).

For valuation, the key sensitivity is not recovery in isolation; it is whether the flowsheet can consistently produce a concentrate that is both high grade and commercially acceptable. Small shifts in any of the following can materially change project value:

- flotation recovery (e.g., $\pm 5\text{--}10\text{pp}$);
- concentrate grade and mass pull (logistics and treatment costs);
- impurities/penalty elements that reduce payability or require downstream processing scope creep.

Cost side: capex/opex and logistics (largest data gap)

The largest current limitation is the absence of disclosed capex/opex and infrastructure assumptions in the provided filings. Given the project’s remote northern Québec context (MRZ references ~ 130 km to Kuujuaq), valuation will likely be highly sensitive to:

- access/road solution and seasonality;
- power and site infrastructure concept;
- logistics for reagents and concentrate;
- contingency levels appropriate to study stage.

In rNAV terms, this means today’s valuation should carry a higher discount/probability haircut until the PEA refresh provides transparent assumptions and sensitivity tables.

Fluorspar: upside optionality with execution risk

MRZ is evaluating fluorspar recovery, citing metspar (>65% CaF₂) and acidspar (>94% CaF₂) target specifications. The valuation implication is asymmetric:

- Upside: by-product revenue/credits can lower unit costs and reduce dependence on NdPr pricing.
- Downside: additional circuit complexity can degrade REE performance or raise costs; acidspar quality is specification-driven and may require tighter impurity control.

A conservative rNAV would treat fluorspar as zero or low probability until test work demonstrates repeatable product specs and credible commercial interest.

Scenario set (qualitative, until PEA inputs are published)

Base case: metallurgy confirms and PEA update supports financeability

- Flotation optimisation/variability work confirms repeatable concentrate quality broadly consistent with disclosed benchmarks.
- PEA refresh narrows capex/opex and logistics uncertainty and outlines a staged development pathway toward the targeted PFS timing (Q3 2026 referenced by MRZ).
- Funding remains available, but additional equity is still required.

Upside case: improved flotation plus credible fluorspar credit and partner support

- Improvement in grade–recovery trade-off and/or impurity deportment reduces payability risk.
- Fluorspar circuit demonstrates saleable specs (at least metspar), supporting meaningful by-product credits.
- Strategic partner/offtake improves funding terms and reduces the equity burden (higher probability weighting, lower effective discount rate).

Downside case: concentrate marketability or infrastructure assumptions disappoint

- Variability testing reveals impurity constraints or poorer repeatability, increasing downstream scope and cost.
- PEA refresh indicates higher infrastructure-led capex/opex than the market is underwriting.
- Delays into PFS drive more frequent capital raises at depressed prices.

Milestone-based de-risking: how probabilities should move

Today's rNAV probability should be anchored to what is proven rather than what is conceptual. In practice, probability weightings should step up only when:

- metallurgical repeatability is demonstrated on representative material (not single “best case” tests);
- the PEA refresh discloses a coherent logistics/infrastructure basis;
-

there is tangible progress toward partner structures that improve financing outcomes.

Per-share valuation: dilution is a first-order sensitivity

MRZ reports 191.14m basic shares and a large equity-linked overhang (92.13m options; 12.26m performance rights). In a single-asset developer, the valuation question is less “what is project NPV” and more “how much of that NPV accrues per share after funding the pathway to PFS/FS”. Any rNAV should therefore be presented on both:

- basic and fully diluted share counts; and
- a set of funding-path sensitivities (equity-led vs partner/non-dilutive components).

The key valuation swing factors from here are: (i) concentrate marketability (including impurities and payability), (ii) clarity on logistics/capex intensity in the PEA refresh, (iii) whether fluorspar moves from optionality to a bankable credit, and (iv) partner/funding structures that reduce per-share dilution.

Valuation framework: scenario-based rerating from developer discount

KEY POINTS

- MRZ's Risk-Adjusted Fair Value of A\$0.17/share sits well below the A\$0.319/share target price because the market is still applying a steep developer discount to Ashram's study-stage execution and funding path.
- The valuation framework is best anchored on Ashram as the underwriting asset, with only conservative credit for the broader portfolio until there is a clearer monetisation path outside the flagship project.
- Because MRZ is still pre-revenue and reserve-free, today's value is driven less by long-dated cash flow estimates and more by the market's confidence in resource quality, metallurgy, infrastructure planning, and financing optionality.
- A rerate requires tangible conversion milestones: better study support, repeatable metallurgy, a clearer processing and logistics route, and evidence that larger funding needs can be met without punitive dilution.
- The upside case remains substantial, but it only becomes investable if management turns Ashram from a large resource with strategic relevance into a financeable development pathway.

Valuation bridge: Risk-Adjusted Fair Value vs Unrisked Potential

MRZ's valuation gap is best framed as a staged mining conversion problem rather than a simple price-to-price move. The Risk-Adjusted Fair Value of A\$0.17/share reflects what Ashram is worth today after allowing for low current development probability, time-to-cashflow, and the prospect of further dilution before any construction decision. The target price of A\$0.319/share represents a higher-confidence 12-month outcome if key de-risking gates are met. Beyond that, the Unrisked Potential / Blue Sky value of A\$2.126/share is the full-success case if Ashram ultimately earns a credible pathway to development and financing.

That gap exists because MRZ is still an exploration/development-stage rare earths company, not a producer. Ashram is a large defined resource at 204.3Mt at 1.9% TREO containing 3.88Mt TREO, but the current estimate remains split between 73.2Mt indicated and 131.1Mt inferred, and the company itself notes that mineral resources are not mineral reserves and economic extraction is not yet demonstrated. In mining terms, the market is discounting not the presence of mineralisation, but the work still required to convert scale into financeable value.

What the market is paying for today

The model is anchored on a resource-multiple approach, which is appropriate for MRZ's stage. A hard DCF is fragile here because the project does not yet have reserve-backed mine scheduling, construction funding, or a locked process route. The market is therefore paying for Ashram primarily as a strategic rare earth option with milestone dependency, not as a de-risked project cashflow stream.

On that basis, the quality of the denominator matters. For exploration-stage miners, "credible tonnes" play the same role that "credible ounces" do in gold: the market pays up when resource classification tightens, metallurgy is repeatable, and the likely saleable product becomes clearer. Ashram already has the ingredients that keep it investable — scale, roughly 21% NdPr distribution, and disclosed flotation/hydromet progress — but a large inferred component and unfinished study work still cap the multiple.

The current valuation also reflects a lingering corporate risk premium. Historical Commerce filings repeatedly disclosed going-concern sensitivity and the need for additional capital, while the merged company has only recently re-established quotation and funding capacity. Even after the transaction completion and the prospectus raise, the market is still treating the stock as a developer that has secured a bridge to studies, not a bridge to construction.

What needs to happen to earn the rerate

- Deliver a credible PEA refresh and advance toward the targeted PFS timeline. Management has framed the next major value step as updated economic work followed by a PFS targeted for Q3 2026. A study package that hangs together technically is the first re-rate trigger.
- Prove metallurgy is repeatable across scale and variability. Historical locked-cycle work produced 35.8% to 36.8% REO concentrate at 65% to 68% recovery, and new bulk-sample and optimisation work is under way. Repeatability reduces the market's discount on process risk and payability.
- Clarify the processing route and downstream footprint. The Port Saguenay MOU matters because it points to a potentially lower-risk processing pathway by considering hydromet away from site, but it remains non-binding and subject to further evaluation.
- De-risk logistics and infrastructure. The extended conditional CMIF support of up to C\$2,606,977 for road-access studies is important because infrastructure is one of the largest open variables in remote Québec development. Progress here narrows both schedule risk and capex fear, even before final project financing.
- Show a funding bridge beyond studies. The market will not fully rerate on technical progress alone. It needs evidence that the company can move from study spend to larger development funding with acceptable dilution, whether through strategic partners, offtake-linked structures, government support, or broader capital markets access.
- Upgrade what the market treats as credible inventory. Any movement from inferred into indicated, or inclusion of additional domains only where metallurgy supports it, should support multiple expansion. The BD-Zone is therefore upside, but only if mineralogical and metallurgical work justifies eventual inclusion.

Key sensitivities and risks (what can break the valuation)

- Funding and dilution: MRZ remains pre-revenue, and larger funding rounds still sit ahead of the company.

- Metallurgical scale-up: bench and locked-cycle results may not translate cleanly into pilot or commercial performance.
- Product form and payability: realised value depends on concentrate quality, impurities, and downstream acceptance rather than basket value alone.
- Infrastructure and permitting: road, rail, port and processing-location decisions remain live variables, not settled facts.
- Resource confidence and continuity: the market will continue to discount the inferred component until upgraded through study and drilling support.
- Schedule slippage: any delay to the study pathway or permitting work stretches time-to-cashflow and keeps the developer discount in place.

The practical takeaway is that MRZ does not need first production to rerate. It needs to show that Ashram is moving in a straight line from resource scale to a financeable development case. If management can turn milestone delivery into financing optionality, the gap between A\$0.17/share and A\$0.319/share should compress. If it cannot, the market is likely to keep valuing the stock as a long-dated option on a large but still unconverted rare earth project.

Company snapshot (MRZ.ASX)

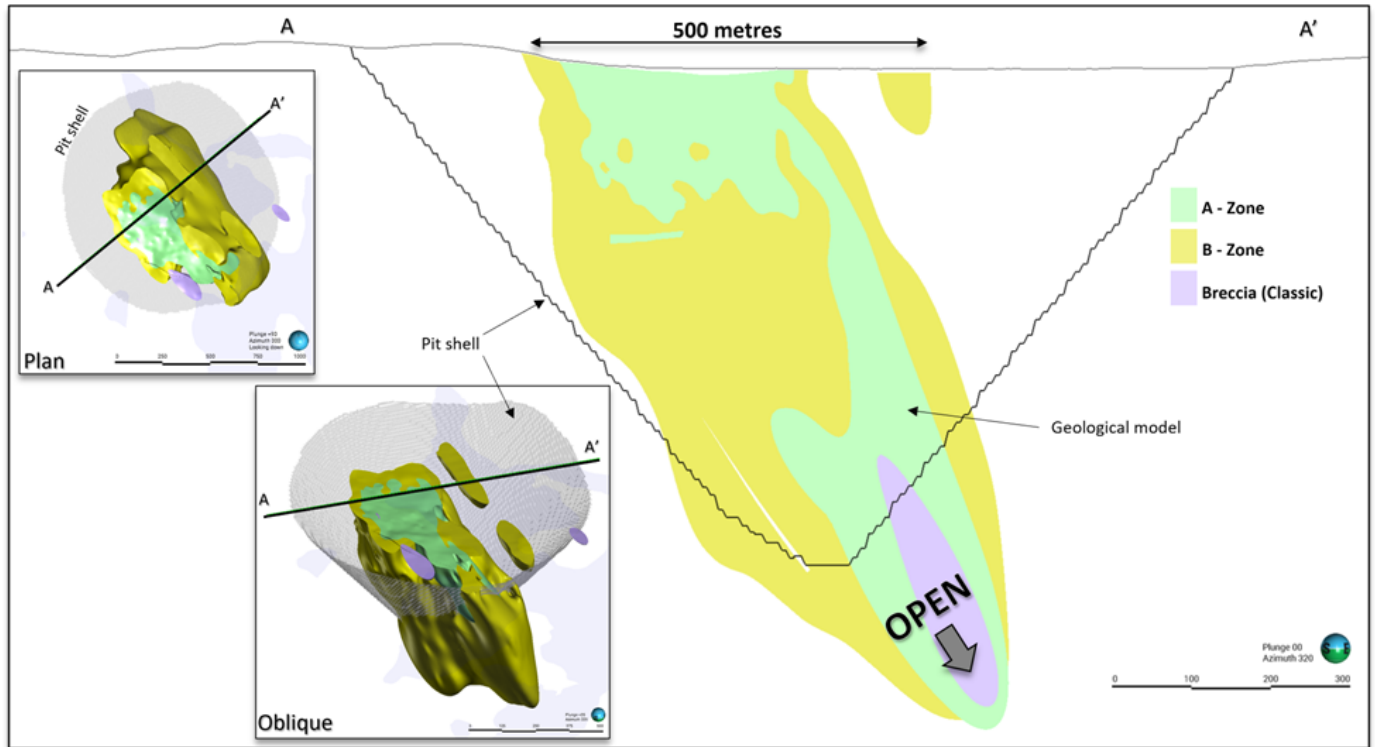
KEY POINTS

- Mont Royal Resources is a pre-revenue critical minerals developer focused on advancing the Ashram rare earths project in Quebec, with potential fluor spar by-product optionality.
- The near-term value driver is technical and study de-risking (metallurgy, PEA update, permitting pathway) rather than production growth.
- ASX trading resumed in November 2025 following re-compliance, improving liquidity and access to equity capital for ongoing study work.
- The company's capital structure includes a meaningful options/performance rights overhang, implying dilution risk as funding needs scale from study stage toward development.

Business description and asset focus

Mont Royal Resources (MRZ.ASX) is an Australia-listed, pre-development critical minerals company whose current investment proposition is centred on advancing the Ashram Rare Earths Project in Quebec, Canada. The company has no operating production and is not yet generating meaningful operating revenue; near-term progress is driven by technical work programs, economic studies and stakeholder/permitting advancement rather than mine-level operating metrics.

MRZ's flagship asset, Ashram, is positioned as a large, magnet-rare-earth-rich (NdPr) rare earth deposit with additional fluor spar (CaF₂) content that the company is evaluating as a potential by-product revenue stream or cost credit. While other exploration interests exist, MRZ's disclosed strategy and market messaging emphasise prioritising capital and management attention on Ashram's development pathway.



MRZ.ASX uploaded image

Corporate structure context

MRZ describes itself as a post-transaction platform incorporating the former Commerce Resources asset base, with a Canadian development narrative anchored by Ashram. Practically, this structure is intended to align the company with North American critical minerals themes (supply chain diversification, government support, and potential downstream partnerships), while retaining ASX market access and an Australian corporate listing profile.

Footprint and operating model

The operating footprint is primarily Quebec, Canada, with Ashram described as being in northern Quebec and referenced as approximately 130 km from Kuujuaq (a key regional logistics node). For investors, the remote setting matters less for current-period operating performance (there is none) and more for future infrastructure assumptions, permitting timelines, and eventual capital intensity—areas that will be refined through staged studies.

MRZ's value creation model is typical of an early-stage developer: progress metallurgical flowsheets, update economic studies (PEA and then PFS), advance baseline environmental work and permitting pathways, and seek partnering/offtake or government funding to reduce the equity funding burden. Until a development decision is made, funding is expected to be sourced via capital markets, non-dilutive programs (where available), and potential strategic partners—rather than project cash flow.

Listing, liquidity and regulatory status

MRZ's primary listing is the ASX. The company's securities were reinstated to quotation with trading resuming from 5 November 2025 following re-compliance with ASX Listing Rules Chapters 1 and 2. In the context of a micro-cap developer, reinstatement is material: it restores market liquidity, reopens normal equity issuance capacity, and reduces a key overhang for institutional participation.

Management also references a dual ASX/TSXV orientation as part of the broader corporate positioning, aimed at widening capital access and aligning the story with North American critical minerals investor bases.

What investors are underwriting today

At this stage, investors are underwriting execution against a discrete set of de-risking workstreams rather than commodity-price leverage through production. In MRZ's framing, the key near- to medium-term drivers are:

- Metallurgy and process development (including flotation optimisation and further hydromet work) to demonstrate repeatable concentrate quality and recoveries across relevant ore types.
- Study progression through an updated PEA and onward to a PFS (with the company indicating a targeted PFS timeline of Q3 2026), which is where assumptions on capex/opex, logistics and project configuration begin to converge toward financeable standards.
- Early permitting and stakeholder engagement, including baseline programs and infrastructure/access discussions, to reduce schedule uncertainty and improve the probability of an executable development pathway.
- Funding runway management, acknowledging that study-stage cash may cover near-term programs, but materially larger capital will likely be required to reach late-stage studies and development decisions.

Capital structure and liquidity (management-reported snapshot)

MRZ provides a headline capital and valuation snapshot in its January 2026 investor materials (management-reported; subject to change with subsequent issuances and corporate actions). Reported metrics include A\$10.5m cash, A\$38.2m market capitalisation and A\$27.7m enterprise value. On issue, MRZ reports 191.14m basic shares, plus 92.13m options and 12.26m performance rights.

For institutional investors, the takeaways are straightforward: (1) the company is funded for near-term technical and corporate activity but remains structurally dependent on future financing, and (2) the listed options/performance rights represent meaningful potential dilution, which can influence per-share outcomes as the funding task scales through study milestones.

High-level strategy and "why now"

MRZ's strategy is built around staged development of Ashram: restart and optimise metallurgical work, deliver an updated PEA, and progress toward a targeted PFS timeframe while evaluating fluor spar by-product circuitry and potential downstream/strategic partnerships. The near-term timing focus is supported by (i) restored ASX quotation

and liquidity in November 2025, and (ii) a funded work program and stated study timetable that creates clear, monitorable catalysts for the market over 2026.

Company snapshot: Ashram-led rare earths development platform

KEY POINTS

- Mont Royal is best viewed as a pre-revenue critical minerals developer whose equity story is now overwhelmingly anchored by the Ashram rare earths and fluorspar project in Quebec.
- Ashram is a large scale, magnet-REE weighting and by-product fluorspar optionality, while the rest of the exploration portfolio is secondary optionality rather than the near-term capital allocation focus.
- The company's value path is not near-term earnings but staged de-risking at Ashram, then study progression, then improved financing optionality and a more credible route to a development decision.
- The 2025 merger, recapitalisation and ASX re-compliance materially changed the corporate setup by restoring market access and giving MRZ a workable funding for studies, strategic partnerships and improved metallurgy initiatives.
- Capital structure still matters: MRZ has useful study-stage funding and dual-market funding access, but the large option and performance-right overhang will result in further dilution remains central to per-share outcomes.

Business profile

Mont Royal Resources is now a critical minerals development company that has evolved from being a legacy junior exploration vehicle. Following the transaction with Commerce Resources Inc, the group's core asset base shifted decisively toward the Ashram Rare Earths and Fluorspar Project in Quebec, with the company positioned as a pre-revenue developer seeking to move a large rare earths asset through technical, study and financing gates rather than generate near-term operating earnings. That distinction matters for how the stock should be assessed: the key debate is not about current cash flow, but about whether recent corporate and technical proof is sufficient to narrow the long-standing developer discount.

The strategic logic disclosed around the merger was straightforward. Mont Royal agreed to acquire Commerce under a court-approved plan of arrangement to create a Quebec-focused critical minerals company with Ashram as the lead asset and a dual ASX/TSXV market orientation to broaden liquidity and funding access. The transaction completed in October 2025, Commerce became an indirect wholly owned subsidiary, and Mont Royal's shares were subsequently reinstated to quotation on ASX after re-complying with Chapters 1 and 2 of the Listing Rules. In practical

terms, that sequence converted a funding-constrained Canadian explorer into an ASX-listed rare earths developer with restored access to public equity.

Asset footprint and why Ashram dominates

Ashram dominates the investment case because it is the only asset in the portfolio with the scale, definition and strategic relevance to underwrite a credible development pathway. Commerce's 2024 disclosures described Ashram as hosting an updated mineral resource of 73.2Mt at 1.89% TREO in indicated and 131.1Mt at 1.91% TREO in inferred, with NdPr distributions above 21% and associated 6.6% CaF₂ (Fluorspar) content in the orebody. That combination is what gives the project relevance in Western critical minerals markets: scale enough to matter, magnet rare earth weighting that improves basket quality, and a fluorspar angle that could enhance economics if converted into saleable product. Fluorspar has genuine upside, but only if the added circuit can deliver saleable metspar or acidspar specifications without materially compromising the rare earth flowsheet or adding disproportionate capital intensity.

The surrounding asset base is real, but secondary. Eldor's adjacent niobium targets provide geological optionality and could add strategic value around the Ashram REE project footprint, while Northern Lights now reads more as residual exploration exposure than as a capital allocation priority. The supplied filings and prospectus materials are clear that post-transaction spending is directed primarily toward advancing Ashram studies, environmental baseline work and related development support, with other assets will be explored more selectively.

Ashram's footprint also extends beyond the orebody itself. The project sits in northern Quebec and therefore carries infrastructure, access and logistics as core value drivers, not side issues. Company disclosures tied the access road directly to baseline studies and future pre-feasibility and feasibility work, and later updates extended that logic into a broader southern road, rail and port concept, alongside a non-binding cooperation framework with Port Saguenay for downstream processing optionality. That is best understood as part of the project's funding bridge: each incremental infrastructure or logistics step improves financeability even before construction capital is in sight.

Value path: from technical work to financing optionality

MRZ's business model is to convert Ashram from a technically interesting rare earth deposit into a financeable development case. The bridge runs from technical de-risking, to refreshed economic studies, to better funding options. Earlier Commerce disclosures showed a company with persistent going-concern pressure, low cash and dependence on repeated financing. The 2025 transaction and recapitalisation changed that starting point. The replacement prospectus supported an A\$8m-A\$10m public raise to fund Ashram work and re-compliance, and that was followed by reinstatement of trading on ASX.

That corporate reset is central to the current equity story. The market is not being asked to believe Ashram is construction-ready today; it is being asked to decide whether the company now has a credible route to keep advancing it. Recent disclosures suggest a better answer than the legacy balance sheet implied. The group has publicly framed dual-market capital access as a deliberate advantage, and current investor materials point to cash of A\$10.5m following the raise, enough to fund near-term study and corporate milestones even if not enough to fund later-stage development alone. The re-rate trigger is therefore less about one technical result in isolation than about value transfer from those results into lower perceived funding risk.

Capital structure snapshot

At a high level, MRZ remains equity-funded and dilution-sensitive. Management-reported January 2026 materials indicate 191.14m shares on issue, 92.13m options and 12.26m performance rights, alongside market capitalisation of A\$38.2m and enterprise value of A\$27.7m. That is a typical junior developer setup: sufficient market value to support ongoing study-stage work, but still highly exposed to the terms of future raises and the treatment of the equity-linked overhang.

The historical context explains why investors remain cautious. Commerce's FY2024 audited statements and subsequent 2025 interim disclosures repeatedly highlighted going-concern uncertainty, limited cash and the need for external financing, including secured convertible notes raised as interim funding before the merger completed. The relevant change today is not that funding risk has disappeared; it is that MRZ now has a stronger platform from which to manage it. The prospectus raise, completed transaction and ASX reinstatement collectively restored a workable market presence and a clearer funding bridge to the next Ashram milestones.

For investors, that leaves a clean framing. MRZ is not a diversified mining company with multiple operating centres of gravity. It is an Ashram-led developer where corporate recapitalisation has reopened the value path, and where the central question is whether ongoing execution can keep translating project progress into financing optionality quickly enough to compress the developer discount.

Macro backdrop: magnet rare earths regime, financing conditions, and strategic supply chains

KEY POINTS

- The magnet rare earth macro regime remains strategically supportive but financially selective, with Western critical-minerals policy and supply-chain diversification helping advanced non-Chinese projects more than early concept stories.
- For MRZ, the macro transmission is less about in-ground tonnes and more about whether Ashram can show a saleable concentrate, credible logistics and a downstream pathway that narrow the developer discount.
- Higher-for-longer real discount rates still penalise long-dated cash flows, so each technical and infrastructure milestone has disproportionate value through financing optionality rather than near-term earnings.
- Government-backed infrastructure support and a potential Saguenay processing route improve Ashram's funding bridge, but neither removes execution risk because both remain conditional or non-binding.
- Fluorspar optionality should be treated as an economics enhancer rather than a standalone macro thesis; the equity re-rate trigger is milestone conversion into better funding terms and clearer cash-flow conversion.

Macro Regime

Following the broader market context on rare earths demand, the more relevant macro question for MRZ as of 2026-04-15 is not whether magnet rare earths matter strategically, but how much of that strategic value can be converted into fundable project economics. The current regime is supportive for advanced critical-minerals assets, yet still selective for pre-revenue issuers. Policy rates and long-duration discount rates remain high enough to penalise distant cash flows, while junior mining capital markets are open mainly for assets with credible jurisdictional positioning, near-term catalysts and a visible funding bridge. In practice, that means the market is rewarding execution proof and financing clarity, not resource size alone.

For magnet rare earths specifically, Western supply-chain diversification remains a structural tailwind. That helps projects such as Ashram because strategic relevance is highest where a large non-Chinese resource can plausibly enter a Western-aligned processing chain. But the macro support does not eliminate the sector's core bottleneck:

product form, impurity management, logistics and downstream acceptance still determine whether “strategic” tonnage attracts capital on acceptable terms.

A second macro overlay is the remote-project inflation regime. Energy, logistics and infrastructure still matter more than generic mining inflation because Ashram’s northern Quebec setting makes road, haulage, port access and processing location central to the investment case. That keeps valuation sensitivity skewed toward infrastructure credibility and staged development rather than headline basket value assumptions.

Sector Transmission

The rare earth sector is transmitting macro through four main channels.

- Funding availability: higher real rates compress developer multiples and push investors toward projects with clearer de-risking milestones.
- Strategic policy support: government grants, infrastructure programs and downstream partnerships can substitute for a portion of equity dilution, especially for critical minerals.
- Payability and product form: concentrate quality, impurity profile and downstream route determine whether a project is valued on a credible revenue pathway or remains trapped in a simple resource multiple.
- Execution tolerance: remote projects with unresolved logistics or processing scope are still heavily discounted, even in favourable commodity themes.

That framework is particularly relevant for rare earths because the market does not generally capitalise in-situ resource tonnes at face value. It capitalises a development pathway. For Ashram, that means the macro backdrop supports rerating only if MRZ can move from “strategic deposit” to “financeable flow sheet plus realistic logistics”. The non-binding Saguenay Port MOU fits this transmission channel: it potentially reduces hydromet complexity at site and aligns Ashram with a Quebec processing corridor, but it is not yet a committed downstream solution.

Company-Specific Implications

MRZ’s macro position has improved materially versus mid-2025 because the company now has better market access and a clearer staged development narrative. The October 2025 transaction completion and ASX reinstatement restored trading liquidity, while the company has since refocused capital on metallurgy, studies and access work rather than broad exploration spending.

On funding, the key macro-to-company implication is that Ashram now has a more credible funding bridge than a typical single-asset junior, but not yet full funding certainty. The extension of conditional CMIF support for up to C\$2.61m for revised road-access studies is important because it directly targets one of the largest remote-project discounts in the Ashram case. Equally, management has positioned the southern road/rail/port route and possible Saguenay hydromet location as ways to reduce capex and technical risk, which is exactly the type of infrastructure simplification the current market rewards.

On demand and payability, Ashram’s value path is tied to proving that magnet-REE-rich concentrate can be produced repeatedly and marketed on acceptable terms. The restarted flotation program, the ~700kg sample campaign and the targeted PFS timeline for Q3 2026 matter because they are the practical bridge from strategic narrative to cash-flow conversion. If MRZ can demonstrate stable concentrate quality and manageable impurities, macro tail-

winds around strategic supply chains should translate into stronger offtake and partner optionality. If not, the project risks staying on a punitive developer discount despite supportive policy rhetoric.

On valuation sensitivity, the bull/base/bear framing is relatively clear. In the bull case, technical milestones plus infrastructure support improve financing leverage and narrow the discount rate investors apply to Ashram. In the base case, policy support and metallurgical progress continue, but the stock remains range-bound until payability, logistics and partnership terms are clearer. In the bear case, funding remains available only at a material dilution cost because study assumptions, processing route or access timing fail to tighten enough.

Evidence is still limited in two areas: the final economics of the revised logistics concept and the commercial value of the fluorspar circuit. The latter should be treated as a by-product credit that may improve the value path, not as the primary thesis driver.

12-Month Monitor List

- Conversion of conditional CMIF support into a formal agreement and tangible engineering/stakeholder work packages.
- Evidence that the Saguenay option progresses beyond MOU status into a technically and commercially defensible downstream pathway.
- Metallurgical readouts on recovery, concentrate specification and impurities from the Auralia-led test program.
- PEA/PFS assumptions on logistics, processing scope and staged capex, especially whether the market sees them as financeable rather than aspirational.
- Any offtake, strategic investment or government-supported funding package that reduces expected equity dilution.
- Whether BD-Zone work begins to improve mine plan flexibility or remains too early-stage to affect financing perceptions.

Investment thesis: technical progress can unlock funding bridge and rerating

KEY POINTS

- MRZ's value path is increasingly about converting Ashram's technical progress into financing optionality, yet the stock still trades with a heavy developer discount more consistent with its pre-recapitalisation funding stress than its current position.
- Ashram is the underwriting asset and the only project that matters for the next re-rate; the rest of the portfolio is best treated as free optionality rather than part of the funded development case.
- Repeatable metallurgy, a credible PEA refresh and visible infrastructure/permitting progress are the key ingredients for a funding bridge that is less equity-heavy and therefore more supportive of per-share value.
- The main way the thesis fails is not geology first but a stalled funding bridge through study slip-page, unresolved logistics assumptions or punitive dilution before Ashram reaches a financeable development package.
- This remains a development-stage call rather than a production-stage call, with upside tied to milestone conversion rather than near-term cash-flow conversion.

Technical progress is beginning to challenge the legacy developer discount

The core thesis is that the market is still valuing MRZ as a fragile pre-development option despite a materially improved corporate and technical pathway around Ashram. Investors appear anchored to the legacy going-concern history inherited through Commerce, when cash was thin, working capital was negative and interim funding came via expensive secured notes. That framing is no longer fully wrong, but it is increasingly stale after the transaction completion, ASX reinstatement and recapitalisation that left the merged group with fresh study capital and restored market access.

In the mining value path framework, Ashram is the bridge asset that must execute first. What the market is underpricing is the value transfer from technical de-risking into financing optionality: each credible step on metallurgy, logistics and study quality should narrow the developer discount because it improves the probability of a less punitive funding bridge rather than simply adding abstract geological value.

Why Ashram underwrites the equity story now

Ashram matters because it already sits beyond a pure discovery narrative and is being advanced through a staged development sequence aimed at a refreshed PEA and a targeted PFS timeline. The relevant proof points are not more tonnes for their own sake, but whether the company can show a repeatable, financeable route from ore to saleable product. Recent work has kept that route deliberately simple: flotation optimisation, variability work and concentrate production first, then hydromet refinement and impurity control using fresh concentrate samples.

That sequencing is important for valuation. If MRZ can demonstrate that historical flotation results around mid-30s REO concentrate grade and mid-60s recovery are reproducible at a scale and consistency suitable for study design, the market can begin to underwrite Ashram on a higher probability basis rather than treating it as another rare earths concept asset. The same applies to by-product fluorspar: it is not required for the investment case, but credible recovery of saleable metspar or acidspar could improve margin structure and shorten the path to external funding interest.

By contrast, Northern Lights and the Eldor niobium exposure should not be central to the near-term valuation debate. They offer optionality, but management's capital allocation and disclosure cadence make clear that Ashram is the underwriting asset for the next 12–24 months.

How execution can change the valuation regime

The re-rate trigger is not a single assay or headline. It is the accumulation of evidence that Ashram is moving from an exploration-stage rare earths story toward a financeable development asset. That evidence now spans four linked workstreams.

- Metallurgy: Auralia has restarted flotation optimisation on a ~700kg bulk sample, with variability and pilot-scale work intended to support study design and the company's targeted PFS timing.
- Infrastructure and access: NRCAN has extended conditional CMIF support of up to C\$2.61m for revised road-access studies, a meaningful signal because road and logistics assumptions are among the largest capex and schedule variables in the project case.
- Process configuration: The non-binding Port Saguenay MOU introduces a credible alternative to an all-on-site processing assumption by evaluating hydromet at an established industrial zone with port, rail and utilities access.
- Resource-side optionality: The BD-Zone review offers longer-dated upside if future test work supports inclusion of currently excluded material, but this is second-order to proving the base flowsheet and study case first.

The market-is-wrong angle is therefore less about headline commodity prices and more about financing mechanics. A credible PEA refresh, paired with repeatable metallurgy and a clearer logistics plan, should improve strategic partner and offtake discussions, government funding eligibility and debt-style funding appetite. In other words, milestone conversion is the bridge to financing conversion. That is where the current developer discount looks too severe.

What still needs to be proven

The balanced view is that MRZ is not yet at cash-flow conversion; it is still proving that the study package can bear the weight of financing. Several critical pieces remain open.

First, the company still needs to show that bench and locked-cycle style outcomes translate into a robust operating window across ore variability, with manageable impurity deportment and a product specification that counterparties will actually finance against. Second, logistics and hydromet siting remain conceptually improved but not fixed; the Port Saguenay arrangement is non-binding and the CMIF support remains conditional on due diligence and formal agreement execution.

Third, the balance sheet is better but not solved. The A\$10m raise and relisting repaired the immediate funding gap, yet MRZ remains a study-stage bridge, not a fully funded developer. That distinction matters because the company still carries dilution risk through future equity needs and a sizeable options/performance rights overhang, so the quality of the next funding bridge matters as much as the amount.

What breaks the thesis

The thesis breaks first through funding and schedule, not geology. The main failure modes are:

- a weak or delayed PEA refresh that fails to convert technical work into a credible economic case
- logistics or hydromet assumptions that remain too open-ended to support a financeable development package
- the loss of non-dilutive or strategic funding support, leaving MRZ reliant on punitive equity issuance
- metallurgical variability or impurity outcomes that imply a more complex, higher-cost flowsheet than the market is beginning to expect

That is why this remains a development-stage call. The upside is real because Ashram is advancing along a visible value path, but the rerating requires proof that technical progress can indeed unlock a lower-risk funding bridge. If management delivers that sequence, the stock should migrate away from a legacy developer discount toward a higher-confidence development multiple.

Market context: rare earths, NdPr, and fluorspar

KEY POINTS

- NdPr is the key value driver within rare earth baskets because it is the primary input to permanent magnets used in EV drivetrains, wind turbines and broader electrification.
- Rare earth supply chains remain highly concentrated, creating strategic value for Western-jurisdiction projects but also amplifying qualification, offtake and processing-route requirements.
- For developers, valuation sensitivity is typically dominated by the NdPr price deck and realised payability assumptions rather than the headline TREO grade.
- Product form matters: selling a mineral concentrate can de-risk capex but introduces payability, impurity penalties and downstream dependency; pursuing separated products can lift margins but increases technical and funding risk.
- Fluorspar by-product credits can improve project economics if saleable metspar/acidspar specifications are achieved consistently, but they add flowsheet and marketing complexity.

NdPr demand drivers and why magnet REEs matter

Permanent magnets (NdFeB) are a critical enabling technology for electrification, with demand exposure to EV motors, wind turbine generators, industrial automation and consumer electronics. Within the rare earth value chain, this pushes investor focus toward magnet rare earths (primarily NdPr), because they tend to account for a disproportionate share of a project's revenue basket relative to their mass contribution.

For valuation frameworks, the practical takeaway is that projects with higher NdPr representation typically exhibit:

- Higher sensitivity to NdPr price assumptions (and therefore higher earnings/NPV volatility through the cycle).
- Greater exposure to product quality and downstream acceptance (magnet supply chains are specification-driven).

MRZ positions Ashram as magnet-REE weighted, citing NdPr at ~21% of TREO (Indicated and Inferred) and a basket value framework where magnet REO represents the majority of value contribution.

Supply chain concentration and geopolitics

Rare earth mining, separation and metal/magnet manufacturing are still concentrated in a small number of jurisdictions, with China the central node in both processing capacity and magnet manufacturing. This concentration has two opposing effects for Western developers:

- Strategic premium potential: policymakers and end-users may be more willing to support alternative supply, particularly for NdPr-bearing feeds.
- Higher bar on commercial readiness: counterparties typically require a credible pathway to specification, qualification, and secure logistics—often demanding more detailed flowsheet definition, pilot data, and clear downstream partnerships earlier in the development cycle.

MRZ's disclosed strategy explicitly leans into the "Western-aligned" narrative and references partnering/JV pathways for further processing and magnet/final product participation, which is consistent with the current contracting reality in magnet supply chains.

Pricing considerations: basket vs NdPr, and volatility in study decks

Rare earth pricing is best thought of as a basket of oxides/metals with different end markets, liquidity, and cyclicity. For most magnet-REE-weighted projects, the NdPr assumption tends to dominate revenue sensitivity, while non-magnet light REEs often provide volume but less value.

Two implications for study price decks and sensitivity analysis:

- Basket price is not "one commodity": revenue outcomes are driven by the mix and realised pricing of each payable element, not the headline TREO grade.
- Volatility should be reflected explicitly: developers typically need to show robustness across a range of NdPr prices and payability scenarios, not just a single spot-driven case.

MRZ discloses a full-basket value reference (US\$24.15/kg) and notes a high share of value attributable to magnet REO (~93%). In our view, that framing is helpful for context, but institutional investors will likely focus on how the updated PEA translates this into conservative price and payability assumptions.

Product pathway economics: concentrate vs separated products

For rare earth projects, "what you sell" is often as important as "what you mine". The trade-offs are structural:

- Mineral concentrate route
- Pros: potentially lower upfront capex; faster pathway to first revenues; enables partnering with established separators.
- Cons: payability discounts; penalties for impurities; transport/logistics costs on bulk product; dependence on third-party processing availability and acceptance.
- Separated products (mixed REO, individual oxides, metals/alloys)
- Pros: higher potential realisations; greater control over product spec; improved strategic value for end-users.
- Cons: materially higher technical complexity and capex; reagent/consumables intensity; longer qualification timelines; heightened ESG and permitting scrutiny for chemical processing.

MRZ's messaging highlights staged development and downstream collaboration options, implying the company is seeking flexibility between near-term concentrate production and longer-term downstream positioning. For investors, the key variable to watch is whether metallurgy and impurity management support a marketable product specification without an uneconomic escalation in processing intensity.

Fluorspar context: specs, uses, and why by-product credits matter

Fluorspar demand is linked to steelmaking (flux applications) and chemical markets (notably hydrofluoric acid and downstream fluorochemicals). Marketability is highly specification-dependent:

- Metspar is typically lower grade and used in metallurgical applications.
- Acidspar is higher grade and used in chemical production; it generally attracts higher pricing but tighter impurity tolerances.

MRZ is evaluating fluorspar recovery as a by-product stream and references product targets consistent with metspar and acidspar pathways. The economic appeal is straightforward: by-product credits can reduce unit costs and improve project resilience during weak NdPr pricing periods. The execution risk is equally clear: a fluorspar circuit can add flowsheet complexity (reagent regimes, separation selectivity, impurity control) and requires its own customer qualification pathway.

Policy backdrop: Canada/Québec programmes, with caveats

Canada and Québec continue to position critical minerals as a strategic priority, which can translate into funding support and, in some cases, more coordinated permitting pathways. MRZ references Canadian government support programs and fast-track approval themes in its investor materials. These can be meaningful modifiers of funding risk and timeline risk, but they are not substitutes for:

- Demonstrated technical viability at scale (variability/pilot evidence)
- Credible infrastructure/access solutions
- Binding commercial arrangements (offtake/strategic capital)

Implications for MRZ: macro variables most likely to drive the stock

In the near-to-medium term, MRZ's equity performance is likely to be most sensitive to a small set of macro variables that feed directly into study outcomes and financing conditions:

- NdPr price expectations and volatility (primary revenue sensitivity for a magnet-REE-weighted basket).
- Funding conditions for pre-revenue critical minerals (risk appetite, cost of capital, and partner willingness to commit pre-FS).
- Capex inflation and logistics assumptions (particularly relevant for remote project settings where infrastructure choices can dominate economics).

Against that backdrop, the market is likely to reward MRZ most for milestones that compress uncertainty (credible PEA assumptions, repeatable concentrate quality, clearer downstream pathway), because these reduce the discount applied to both commodity price volatility and funding risk (see Investment Thesis & Outlook).

Capital structure and funding: runway, overhangs, and financing options

KEY POINTS

- MRZ's balance sheet is no longer in immediate distress after the recapitalisation and A\$10m raise, but the more important question is whether that cash can fund enough technical and permitting progress to improve the terms of the next raise.
- The market still prices a legacy developer discount because Commerce entered the merger with acute going-concern stress, negative working-capital pressure and a 20% secured convertible bridge, and those scars do not disappear with one financing.
- Equity overhang remains material, with a large pool of options and performance rights capable of diluting per-share upside if Ashram de-risks faster than the share price already reflects.
- ASX reinstatement and a prospectus-based re-compliance raise restored capital-markets access, which is strategically important because study milestones only create value if the company can monetise them through better funding options.
- The clean rerate trigger is a credible funding bridge from current cash into PEA/PFS-enabling milestones, followed by non-dilutive or less-dilutive capital from grants, infrastructure support, strategic partners or offtake-linked structures.

Liquidity has improved, but it is a study-stage funding bridge rather than a full solution

MRZ now has a more credible near-term runway than the legacy Commerce vehicle brought into the merger. Management's current cash snapshot of about A\$10.5m implies the group can fund the immediate Ashram work program, corporate costs and dual-listed platform requirements. That should be enough to push through metallurgy, study work and baseline activities, but not enough to carry the project through full pre-feasibility, final permitting and any development decision without further capital.

The prospectus-based re-compliance raise was the pivotal reset. Mont Royal's replacement prospectus contemplated A\$8m-A\$10m of gross proceeds at A\$0.20/share, with funds directed to finalising the PEA, environmental baseline work, prefeasibility-related activities, maintaining portfolio interests and working capital. The prospectus also stated the board believed the merged group would have sufficient funds for current commitments and working capital for the next 24 months after reinstatement, while acknowledging further funding may still be required over the following 24–36 months as Ashram studies advance.

That distinction matters for valuation: the current cash is best seen as a funding bridge to value-creating proof points, not as a balance sheet that removes future dilution risk.

Why the market still applies a legacy developer discount

The market's caution is understandable because the pre-transaction funding profile was weak. Commerce's FY2024 audited statements carried an explicit going-concern material uncertainty, with no operating cash flow, C\$2.49m cash at 31 October 2024, and sizeable investing cash outflows on exploration and evaluation activity. By 31 January 2025, cash had fallen to just C\$506k, with working capital down to C\$281k and management again stating additional financing would be required. By 30 April and 31 July 2025, Commerce was reporting a working-capital deficit and cash below C\$500k, reinforcing how narrow the pre-merger runway had become.

That stress culminated in a C\$2.15m secured convertible note bridge on 20% interest, raised explicitly to continue Ashram studies and fund working capital while the Mont Royal transaction was completed. Even if investors accept that the merged entity is in a better place today, that financing history explains why the stock still trades with a heavy developer discount: the market has been conditioned to expect another weakly priced raise if timelines slip.

Capital structure: meaningful leverage to success, but also meaningful dilution overhang

MRZ's current equity base is not especially large for a pre-development critical minerals platform, but the equity-linked overhang is. On management's current snapshot, the company has roughly 191.14m shares, plus 92.13m options and 12.26m performance rights outstanding. That means technical success at Ashram will not translate one-for-one into per-share value if a large part of the overhang ends up in the money.

Two implications follow:

- Per-share upside is real but not clean: Ashram de-risking can still drive a rerate, but some of that value path may leak into option conversion rather than fully accruing to existing holders.
- Future equity is not the only source of dilution: the overhang effectively acts as contingent dilution before any new placement is considered.

The transaction and recapitalisation process also included consolidation and replacement-security mechanics for legacy Commerce instruments, so the register has already been through a substantial clean-up and reset. That helps liquidity and comparability, but it does not eliminate the need to watch exercise dynamics closely if the stock begins to re-rate.

Reinstatement to quotation restored the company's ability to finance milestones

The ASX suspension and re-compliance process mattered because a stranded or suspended security cannot efficiently capture value from technical progress. The replacement prospectus was lodged specifically to satisfy ASX Chapters 1 and 2 re-compliance requirements after the change in nature and scale of the business, and the offer was conditional and not underwritten. Transaction completion followed on 21 October 2025, with Mont Royal then reinstated to quotation effective 5 November 2025 after re-complying with the ASX listing rules.

That restoration of quotation is more than administrative. It re-opened the company's access to public equity, broadened liquidity after the merger and improved the practical odds that milestone conversion can feed into better funding terms. In the mining value path, that is the mechanism by which technical proof becomes financing optionality.

Alternative funding sources can narrow the equity burden

The most important upside to the funding case is that not all incremental capital needs have to be met with straight equity.

- Government support: NRCan's CMIF support for Ashram road-access studies remains conditional but meaningful at up to C\$2.61m, and was extended in February 2026. This is targeted money for enabling infrastructure work that would otherwise compete with study budgets.
- Tax rebates and incentives: the legacy business had access to Canadian exploration incentives and rebates; these are modest in absolute terms, but still helpful for reducing net study burn.
- Strategic/offtake capital: once the PEA and downstream product assumptions tighten, MRZ has scope to seek strategic partner equity, offtake prepayments or downstream collaboration capital rather than relying solely on listed equity.
- Associated-entity or bridge instruments: these remain a last resort. The 2025 secured note bridge solved a timing problem but did so on expensive terms, so a repeat would be a negative signal rather than a preferred funding path.

What current cash can realistically fund, and what triggers the next raise

Internally funded work should be enough to cover the next layer of Ashram de-risking: concentrate optimisation, hydromet follow-up, the PEA update, environmental baseline activity and the early steps needed to keep a Q3 2026 PFS target credible. That is the near-term value path.

The next financing event is likely to be triggered by one of two things:

- A successful milestone set that allows MRZ to raise follow-on capital from a stronger negotiating position; or
- Schedule slippage / study creep that forces the company back into the market before those proof points are banked.

The market is probably still over-discounting the first path and over-weighting the second. If Ashram milestones convert on time and the company starts to replace pure equity dependence with grant, infrastructure and strategic

funding channels, the stock has room to narrow its developer discount. If not, the capital structure overhang becomes the dominant part of the story again.

Asset overview: Ashram (flagship) and portfolio optionality

KEY POINTS

- MRZ's value proposition is dominated by the Ashram Rare Earths and Fluorspar Project in Québec, with secondary optionality from the Northern Lights exploration portfolio and the adjacent Eldor niobium reference.
- Ashram is disclosed as a large, NdPr-rich rare earth resource (204.3 Mt at 1.9% TREO) with meaningful CaF₂ content supporting fluorspar by-product evaluation.
- The development pathway is study- and metallurgy-led, with current priorities on flotation optimisation/variability work and generating concentrate for downstream hydromet testing ahead of a targeted PFS in Q3 2026.
- Northern Lights has been de-emphasised through limited activity and tenement rationalisation, indicating capital allocation discipline while retaining longer-dated upside.
- Eldor is referenced primarily for adjacency/strategic optionality, but disclosed technical detail is insufficient to assign material near-term underwriting weight.

Portfolio summary (what investors are funding)

MRZ presents as a single-asset-led developer, where near-term value creation is anchored by the Ashram Rare Earths and Fluorspar Project in northern Québec, Canada. The remainder of the portfolio (Northern Lights in Australia and Eldor in Québec) is best framed as optionality rather than a primary driver of the current work program and funding allocation.

- Core: Ashram (REE with fluorspar by-product potential).
- Secondary: Northern Lights (lithium/copper/gold exploration exposure; activity and tenure rationalisation suggest a reduced priority).
- Adjacency reference: Eldor (niobium; mentioned as near/adjacent to Ashram but with limited technical disclosure in the provided materials).

Ownership and specific tenure terms for each asset are not detailed in the supplied filings for this section; investors should treat asset-level legal/beneficial ownership as a confirmatory diligence item rather than an underwriting assumption.

Ashram location and jurisdiction

MRZ discloses Ashram as located in Québec, Canada, with a reference distance of ~130 km to Kuujuaq. This matters because access and infrastructure in northern Québec can be a first-order determinant of capex/opex, schedule and permitting complexity for any eventual development scenario.

Management commentary highlights road access discussions and a supportive Canadian/Québec critical minerals policy backdrop (including references to potential fast-track approvals and funding support), but does not provide detailed infrastructure solutions, route engineering, or committed third-party arrangements in the materials provided. Accordingly, infrastructure should be treated as an open study variable until addressed in updated PEA outputs and subsequent PFS work.

Resource scale and commodity mix (REE + CaF2 indicator)

Ashram's scale and mix are central to why it is positioned as MRZ's flagship asset:

- Total Mineral Resource: 204.3 Mt at 1.90% TREO (contained TREO 3.88 Mt).
- Indicated: 73.2 Mt at 1.89% TREO with 6.6% CaF2.
- Inferred: 131.1 Mt at 1.91% TREO with 4.0% CaF2.
- NdPr intensity: NdPr is cited at ~21% of TREO (Indicated and Inferred), supporting the project's "magnet REE" positioning.

The CaF2 grades are not a fluorspar product specification, but they underpin the company's stated rationale for evaluating a fluorspar recovery circuit as a potential by-product stream alongside REE flotation.

Development stage and pathway

Ashram is at a pre-development stage (resource defined; no mineral reserves disclosed), with value inflection points expected to come from metallurgy de-risking and study progression rather than operating delivery.

MRZ has indicated a staged pathway that includes a PEA update and a targeted PFS timeline of Q3 2026. A production timeline, permitting approval schedule, and definitive project configuration (including product route to market) are not disclosed in the materials provided for this section.

Work program priorities (metallurgy-led de-risking)

Current technical workstreams are framed around improving confidence in a repeatable, saleable concentrate and generating feed for downstream processing optimisation:

- Flotation optimisation and variability inputs: Auralia Metallurgy was engaged to optimise flotation test work, supported by a bulk sample of ~700 kg.
- Concentrate outcomes referenced from prior work: prior SGS Lakefield results are cited as producing a ~35.8–36.8% REO concentrate at ~65–68% overall REO recovery.

- Hydromet optimisation linkage: the flotation program is intended to generate concentrates for further hydromet test work and impurity evaluation.
- Fluorspar by-product evaluation: MRZ references metspar (>65% CaF₂) and acidspar (>94% CaF₂) targets as product pathways under evaluation, implying a parallel workstream to determine whether a saleable fluorspar product can be consistently produced without undermining REE recoveries/specifications.

Northern Lights (secondary optionality, disciplined spend)

Northern Lights is described as an exploration portfolio (lithium/copper/gold) with a disclosed historical footprint of ~442 km². In the June 2025 quarterly reporting, MRZ disclosed no exploration or development activity and noted tenement disposals with no new acquisitions, consistent with portfolio rationalisation and a shift in focus toward Ashram.

From an institutional underwriting perspective, Northern Lights can still provide longer-dated optionality (JV/earn-in or future reactivation), but the near-term valuation and catalyst set is more tightly linked to Ashram metallurgy and studies (see Investment Thesis & Outlook).

Eldor (adjacent niobium reference; limited disclosed detail)

Eldor is referenced in investor materials as an adjacent/nearby niobium project to Ashram. However, the supplied filings do not provide sufficient technical disclosure (resource metrics, work programs, timelines, or economic framing) to attribute meaningful near-term value beyond strategic optionality.

In practical terms, Eldor is best treated as non-core optionality that could become relevant if it attracts third-party interest or fits a broader “hub” narrative around Ashram, but it should not be assumed to compete for capital in the current staged Ashram development plan.

Technical de-risking: metallurgy, flowsheet direction, and by-product strategy

KEY POINTS

- MRZ's technical de-risking is sequenced around producing a consistent flotation concentrate suitable for sale and for downstream hydromet optimisation, with outputs intended to underpin updated PEA assumptions and PFS design criteria.
- Historic SGS Lakefield work cited by the company indicates a ~35.8–36.8% REO concentrate at ~65–68% overall REO recovery, but repeatability and impurity department across ore variability remain the critical questions.
- The current Auralia program uses a ~700 kg bulk sample to run cleaner optimisation and larger-batch flotation tests, with detailed REE and impurity analyses designed to translate bench results into pilot-relevant operating windows.
- Hydromet recoveries cited by management (LREE ~95%, HRRE ~82%) are supportive, but investors should focus on impurity removal, reagent/consumables intensity, and the definition of a saleable intermediate or downstream partnership route.
- Fluorspar by-product strategy remains an upside option; delivery of metspar/acidspar specifications and marketing line-of-sight will determine whether any by-product credit is realistic without compromising the REE circuit.

Metallurgical strategy: concentrate-first, then downstream optimisation

MRZ's near-term process strategy for Ashram is deliberately staged: (1) re-establish and optimise flotation to generate a repeatable rare earth mineral concentrate, then (2) use that concentrate as feed for further hydromet optimisation and impurity management. This sequencing matters because the PEA update and subsequent PFS design criteria will ultimately be governed by concentrate grade/recovery, impurity profile (and resulting payability/penalties), and the extent of on-site vs third-party downstream processing assumed in the study case.

For investors, the decision tree is effectively:

- Mineral concentrate pathway (nearer-term, lower chemical processing scope): maximises the importance of concentrate marketability and payability terms (including impurities).
- Downstream processing / JV pathway (longer-dated): shifts value to hydromet performance, impurity removal, product specification, and the ability to support qualification with potential partners.

Historical flotation reference points (company-cited)

MRZ cites historical SGS Lakefield flotation outcomes as a benchmark: a final concentrate grading ~35.8–36.8% REO, with overall REO recovery of ~65–68%. Management’s investor materials also characterise this as producing a high-grade concentrate at around 65% flotation recovery.

These figures provide a useful reference point for what has been achieved at bench scale, but they do not on their own establish the operating envelope needed for a PEA/PFS (variability across ore types, mass pull stability, impurity deportment consistency, and reagent/consumables intensity). The de-risking task is therefore less about “best test” results and more about defining robust, repeatable performance under conditions representative of future operations.

Current Auralia test program: what is being tested and why it matters

MRZ has engaged Auralia Metallurgy to optimise flotation, supported by a bulk sample of ~700 kg delivered for test work and concentrate generation. The disclosed program scope is structured to move beyond single-condition bench tests toward a dataset that can support study assumptions:

- Cleaner circuit optimisation: 1 kg, three-stage cleaner tests aimed at tightening the grade–recovery trade-off and establishing selectivity (rare earth minerals vs gangue/penalty elements).
- Larger-batch flotation: bulk batch testing cited at up to ~400 kg (and intermediate batch sizes referenced), intended to produce sufficient concentrate for downstream hydromet test work and to test operational stability at larger sample masses.
- Analytical focus: concentrates are to be analysed for REE distribution and impurities, which is central to defining concentrate marketability and whether impurity control must be pushed downstream into hydromet (with cost/capex consequences).

The practical output MRZ needs for the PEA update is a defensible set of metallurgical assumptions (grade, recovery, mass pull, concentrate chemistry) that can be carried into engineering and cost models, rather than a narrow set of laboratory maxima.

Variability and pilot testing: de-risking questions that drive valuation

MRZ frames the next step as variability and pilot-plant-oriented flotation testing to support a PFS targeted for Q3 2026. Investors should interpret variability/pilot work as addressing four core uncertainties:

- Repeatability across ore types and time: whether concentrate grade/recovery are stable across representative material (and not dependent on a favourable subset).
- Scale-up risk: whether kinetics and froth behaviour translate as mass increases, including whether additional regrind/cleaning stages are required.
- Reagent regime and consumables: sensitivity of performance to reagent suite/dosage and water chemistry; reagent intensity is often a key hidden driver of REE flotation opex.
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Impurity deportment: whether penalty elements report to concentrate (driving payability discounts) or can be rejected early; this directly affects the economic attractiveness of a “sell concentrate” route.

Hydromet: encouraging recoveries, but product and impurity proof points remain

Management cites hydromet recoveries of ~95% for LREE and ~82% for HRRE. These figures suggest downstream recoverability is plausible, but investors should focus on what remains to be proven for a financeable process route:

- Impurity removal and product specification: recovery alone is not sufficient; the question is whether downstream products (or intermediate streams suitable for a partner) meet specification without excessive reagent use or complex impurity circuits.
- Feed sensitivity: hydromet outcomes depend on concentrate chemistry; hence the strategic linkage to generating new concentrates from the current flotation program.
- Cost and complexity: higher impurity loads typically shift value away from recovery metrics and toward operating cost, residue management, and capex intensity—key swing factors for PEA/PFS economics.

Fluorspar circuit evaluation: optional upside with real execution risk

MRZ is evaluating a fluorspar by-product circuit alongside REE flotation, with product pathways referenced as metspar (>65% CaF₂) and acidspar (>94% CaF₂). While a saleable fluorspar stream could provide a by-product credit and diversify revenue sensitivity, it introduces two layers of risk:

- Process interaction risk: fluorspar recovery can compete with, or complicate, the reagent regime needed for REE flotation, potentially impacting REE selectivity, mass pull, and impurity deportment.
- Marketability risk: meeting acidspar specifications typically requires tight impurity control and consistent quality; absent demonstrated specs and customer qualification, fluorspar should be treated as contingent upside rather than base-case value.

Technical KPIs to track

Key metrics we would expect MRZ to progressively disclose (and for the PEA/PFS to formalise) include:

- REE flotation grade–recovery curve, not just a single point (including sensitivity to grind size and reagent suite)
- Mass pull / concentrate yield and resulting logistics implication per tonne of ore treated
- Concentrate chemistry: TREO grade plus key impurity/penalty elements and their variability
- Reagent and consumables intensity (dosage, unit consumption, and sensitivity to water chemistry)
- Hydromet outcomes linked to new concentrates: recoveries by REE group, impurity rejection, and a defined product/intermediate specification
- Fluorspar performance: CaF₂ grade and recovery versus metspar/acidspar targets, plus impurity constraints and any stated marketing progress

Development plan: studies, permitting pathway, and infrastructure considerations

KEY POINTS

- MRZ is pursuing a staged development pathway at Ashram, with a near-term PEA update/refresh feeding a company-stated PFS target of Q3 2026.
- The critical study inputs are metallurgical repeatability (including variability and larger-batch work), defined product specifications (REE concentrate and any fluorospar by-product), and defensible logistics/infrastructure assumptions.
- Permitting de-risking is expected to run in parallel via baseline environmental work and structured stakeholder/Indigenous engagement, with progress best evidenced by defined submission milestones rather than high-level statements.
- Infrastructure and access (including road access discussions) remains a first-order swing factor for capex, opex and schedule; clarity on the assumed access solution is a key deliverable for the PEA update and especially the PFS.
- Schedule slippage in metallurgy, engineering and baseline work can translate quickly into funding pressure for a pre-revenue developer, increasing dilution risk as the PFS scope and cost tighten.

Staged study roadmap (PEA refresh → PFS)

MRZ's disclosed development approach for Ashram is explicitly staged: re-establish and optimise the technical basis, update/refresh the PEA, then progress into a PFS with a stated target of Q3 2026. This sequencing is consistent with a "de-risk before commit" strategy, but it also concentrates value inflection around discrete deliverables (PEA update quality; then PFS-level engineering and test work).

Near-term, the PEA refresh is best viewed as the first post-transaction checkpoint where the market can assess whether: (i) metallurgical outcomes are repeatable beyond historical bench-scale highlights, and (ii) infrastructure/access assumptions are sufficiently credible to support a coherent development case (even if still at scoping accuracy).^[^1]

Inputs required for credible PEA/PFS outcomes

Metallurgy, variability and product specification

MRZ has restarted flotation optimisation with Auralia Metallurgy, supported by a ~700 kg bulk sample, and has described test work spanning cleaner optimisation (e.g., 1 kg three-stage cleaner tests) through to larger-batch flotation (up to ~400 kg) to generate concentrate for analysis and downstream work. From a study perspective, the key requirement is not a single “best” grade/recovery point but a repeatable operating envelope:

- Grade–recovery trade-offs across representative material (variability), rather than one composite.
- Concentrate chemistry (including impurities) to underpin payability assumptions and downstream processing scope.
- Evidence that larger-batch results do not materially degrade performance (a practical pre-condition for PFS test work design).^[4]

In parallel, MRZ continues to evaluate fluorspar by-product potential (metspar and acidspar target specifications are cited), which adds a second product specification workstream that can influence circuit design, reagent regimes and marketing assumptions.

Logistics assumptions and cost build-up

For both PEA and PFS, the most material economic sensitivities typically sit in:

- Site access and logistics chain assumptions (seasonality, consumables transport, concentrate haulage).
- Power and camp/airstrip assumptions (if applicable) and the degree of “owner-build” versus third-party solutions.
- Capital and operating cost build-up methodology and contingency appropriateness for study stage.

MRZ has referenced ongoing road access discussions and a supportive Canadian backdrop, but has not disclosed a definitive infrastructure solution in the materials provided. Investors should therefore treat logistics and access as an open variable until the PEA refresh explicitly states the assumed configuration and the rationale for its cost/timing treatment.

Permitting and ESG pathway (high-level)

MRZ positions permitting and ESG work as running alongside technical studies, with emphasis on Indigenous/regulatory frameworks and baseline programs. At this stage, the most decision-useful de-risking signals for investors are concrete milestones rather than general commitments. Future disclosures that would meaningfully tighten schedule risk include:

- Confirmation of baseline study initiation, scope and seasonality constraints (what has been measured, and what remains).
- A clear statement of the anticipated permitting pathway and the main submissions/decision points (without assuming timing certainty).
- Evidence of structured stakeholder engagement (e.g., agreements, consultation frameworks, or documented process steps), recognising this is jurisdiction- and community-specific.

Infrastructure: access and development implications

Ashram's northern Québec setting means infrastructure is likely to be a first-order determinant of capex, opex and schedule (and therefore financeability). MRZ's references to road access discussions are directionally constructive, but the investment risk remains that infrastructure assumptions shift materially as engineering matures. The practical implications by study stage are:

- PEA refresh: should transparently state the assumed access concept and logistics basis used in the cost model, including where costs are placeholders versus supported estimates.
- PFS: should progress toward defined routes and engineering-level assumptions (including interfaces with any third-party infrastructure), because lenders and strategic counterparties typically underwrite "executability" at this point.

Downstream/partnering integration

MRZ flags potential downstream partnerships/JVs and the testing of new processing technologies using samples in 2026. In the roadmap, partnerships can sit at multiple points:

- Pre-PEA/PEA: early engagement to align product specifications (concentrate quality, impurity tolerances) with credible offtake interest.
- Between PEA and PFS: technology-provider test work and flowsheet trade-off decisions (what is done on-site vs by a partner).
- At/after PFS: commercial structures (offtake, strategic equity, JV) that reduce the equity funding burden and support a financeable execution plan.

Decision gates: what "success" should look like

- PEA update/refresh gate: defensible metallurgical assumptions tied to current test work; a stated product pathway (concentrate-first and treatment of fluor spar optionality); and an explicit infrastructure/logistics basis that investors can stress-test.
- PFS gate (target Q3 2026): tighter engineering definition; variability/pilot-relevant metallurgical evidence; clearer permitting pathway articulation; and reduced uncertainty on infrastructure interfaces sufficient to support funding conversations beyond pure equity.

Timeline risks and funding linkage

The critical path is likely to be governed by (i) test work throughput and re-test cycles (including variability and larger-batch concentrate generation), (ii) engineering integration of metallurgical and infrastructure assumptions, and (iii) baseline work seasonality and regulator consultation lead times. For a pre-revenue developer, delay risk is not just a timing issue: it can translate directly into incremental funding events, raising the probability of dilution if capital markets weaken before PFS-quality outputs are delivered.

Asset overview: Ashram as the underwriting asset, exploration as optionality

KEY POINTS

- Ashram is the asset that underwrites MRZ's value path: a large, NdPr-rich rare earths project in Quebec with meaningful fluorspar content and a resource base already established at scale.
- The rest of the portfolio is secondary to current valuation, with Eldor niobium offering adjacent optionality around the same regional hub and Northern Lights contributing little near-term strategic or funding relevance.
- Quebec remains a strategic jurisdictional advantage, but Ashram's remote northern setting means access road, logistics and downstream processing choices will materially shape study outcomes and financeability.
- Fluorspar is a credible economics lever rather than a base-case driver today, with value contingent on proving recoverable saleable product specifications and avoiding excessive process complexity.
- Asset ranking for investors is clear: Ashram first by a wide margin, Eldor second as hub optionality, and Northern Lights a longer-dated portfolio residual.

Flagship asset: Ashram is the underwriting asset

Ashram is the clear core of MRZ's asset base and the project that underpins any credible value path. The current mineral resource estimate outlines 204.3Mt at 1.9% TREO in total, comprising 73.2Mt at 1.89% TREO in indicated and 131.1Mt at 1.91% TREO in inferred, with reported NdPr distribution of roughly 21% of TREO across both categories and associated fluorspar content in the orebody. That combination of scale, magnet-REE weighting and established resource definition is what makes Ashram the asset likely to anchor funding discussions rather than merely attract exploration capital.

The quality signal is not just tonnage. The 2024 resource update lifted indicated tonnes by 164% versus the prior estimate and described NdPr enrichment as starting at surface and persisting through the deposit, which is relevant for eventual open-pit sequencing and basket quality. The deposit is also interpreted as a large continuous carbonatite body, giving Ashram the kind of geological coherence that markets typically want to see before assigning value beyond optionality.

The project remains in advanced exploration/development rather than construction-ready territory. Resource definition is largely established; the remaining heavy lifting is to convert that geological scale into financeable economics through process selection, logistics, permitting and study work rather than through greenfields discovery.

Quebec advantage, but logistics are central to valuation

Ashram's location in Quebec gives MRZ exposure to a supportive critical-minerals policy setting and potential public infrastructure support, which matters for a rare earths developer targeting Western supply chains. But the project's remote northern setting is not a side issue; it is one of the main variables that will determine whether the developer discount narrows or persists.

The company has disclosed conditional federal support of up to C\$2.61m for access-road studies, first tied to the road concept toward the Koksoak River and more recently extended under a revised southern access strategy. The latest concept contemplates road haul from Ashram to Schefferville, then rail to Sept-Îles and onward transport to Saguenay, where the company is also evaluating a downstream hydromet option through a non-binding port agreement. For investors, the practical read-through is straightforward:

- Ashram benefits from a Tier-1 jurisdictional setting.
- Remote access and transport still sit at the centre of capex, opex and schedule risk.
- Progress on road and downstream logistics is therefore an asset-quality issue, not just an infrastructure footnote.

Fluorspar: meaningful upside lever, not yet core value

Fluorspar should be treated as a potentially material economics enhancer rather than an assumed base-case contributor. The resource estimate reports CaF₂ content alongside REE mineralisation, and the current technical program is explicitly evaluating a fluorspar recovery circuit with targets aligned to metspar (>65% CaF₂) and acidspar (>94% CaF₂) specifications.

That matters because a workable by-product circuit could improve cash-flow conversion and lower the effective cost burden of the rare earths stream. But it remains unproven in commercial terms. Saleable specification, impurity profile, incremental capex/opex and marketability all still need to be demonstrated. Until that is clearer, fluorspar is best framed as upside to the Ashram case rather than part of the underwriting valuation.

Eldor niobium: adjacent optionality with some strategic value

Eldor's niobium prospects sit in the same broader property context and can add strategic value without changing the core MRZ thesis. Initial 2024 planning targeted Mallard and Miranna, and subsequent drilling reported multiple niobium intercepts across Mallard, Miranna, Knox and other targets, with management continuing to position the area as a possible complementary critical-minerals hub around Ashram.

That said, Eldor does not presently compete with Ashram for flagship status. There is no comparable disclosed resource or development study base in the supplied materials, so the market is unlikely to capitalise it as more than optionality. Its relevance is mainly that a successful niobium pipeline could, over time, support broader hub logic,

shared infrastructure arguments or partnership interest. Near term, however, it should not distract from the fact that Ashram remains the only asset capable of underwriting financing at the corporate level.

Northern Lights and other holdings: residual portfolio value

Northern Lights is best treated as residual exploration optionality. It provides exposure to lithium, copper and gold over a sizeable land package, but recent disclosures show tenement rationalisation, minimal activity in the merger period and only limited intended spend relative to Ashram. In portfolio terms, this is sensible capital discipline: preserving upside without letting non-core assets consume the funding bridge required for Ashram.

Asset ranking by current relevance

In order of importance to valuation, funding discussions and expected newsflow:

- Ashram — core underwriting asset; the only project currently capable of moving MRZ from exploration optionality toward a de-risked development case.
- Eldor niobium — adjacent optionality with strategic merit, but still pre-resource in valuation terms.
- Northern Lights — longer-dated portfolio exposure with limited current contribution to enterprise value or near-term catalysts.

That hierarchy is central to how the stock should be framed. MRZ is not a diversified explorer in the sense the market should value each asset independently; it is effectively an Ashram-led developer with a small amount of embedded exploration upside around the edges.

Execution proof points: metallurgy, flowsheet simplification, and by-product optionality

KEY POINTS

- Ashram's key metallurgical proof point is no longer a single laboratory headline but the repeatability of a simplified flotation route that has consistently produced roughly 35.8% to 36.8% REO concentrate at 65% to 68% recovery. MRZ management is confident this number can improve with further testwork that is ongoing.
- The current work program is valuable because it bridges that historical locked-cycle result into variability, bulk-sample and pilot-readiness data that lenders, strategic partners and PFS engineers will treat as decision-useful.
- Hydromet remains the main remaining technical bottleneck, with impurity control and downstream recoveries now more important than simply proving a concentrate can be made.
- Fluorspar has genuine upside, but only if the added circuit can deliver saleable metspar or acidspar specifications without materially compromising the rare earth flowsheet or adding disproportionate capital intensity.
- The market is still applying a heavy developer discount to Ashram's process risk, but that discount should narrow if MRZ can show stable concentrate quality, impurity department and pilot-scale consistency in time for a credible PEA update and the targeted Q3 2026 PFS path.

Flotation: the issue is repeatability, not the headline number

The most decision-useful Ashram metallurgy result remains the simplified flotation-only front end that produced a monazite-dominant concentrate grading 35.8% to 36.8% REO at 65% to 68% overall recovery in locked-cycle testing from a ~2.1% REO head sample. Those numbers are good enough to matter, but they are not yet the core de-risking event on their own. The core question is whether they are reproducible across representative material, operating conditions and batch sizes.

Earlier work had already pointed in the same direction: a flotation-based route was identified as the cost-critical front end, and historical large-batch test work demonstrated that Ashram concentrate could be carried through to mixed REE chemical concentrate and SX-ready solution. What has improved since then is flowsheet focus. The company is no longer trying to prove a broad theoretical pathway; it is trying to lock down a narrower, financeable route where flotation performance, impurity department and downstream feed quality can be engineered into study assumptions.

For financiers and strategic partners, the key proof points from the current campaign are:

- grade-recovery stability across repeat runs
- mass pull and reagent consistency
- concentrate mineralogy and impurity profile, not just REO grade
- whether performance holds when scaled beyond bench-style optimisation

Hydromet: recoveries look encouraging, but impurity control is the real gating item

MRZ's disclosed hydromet recoveries of around 95% for LREEs and 82% for heavy rare earths are supportive, but investors should treat them as indicative until they are tied to new concentrate batches generated under the current flotation program. The technical risk has shifted from "can Ashram make a concentrate?" to "can that concentrate be treated consistently into a product specification with manageable impurity removal, reagent load and residue handling?"

That distinction matters for valuation. A concentrate-first development path can reduce upfront process complexity, but only if the concentrate is sufficiently marketable or sufficiently clean and consistent to underpin a downstream refining assumption. If impurities are volatile between samples or ore domains, the apparent simplicity of the front end can quickly be offset by higher hydromet contingency, lower payability, or both. That is why the present work-stream specifically includes impurity analysis on new concentrate production rather than only repeating historical grade metrics.

A further positive is that the company is also examining whether the more complex hydromet component could be located away from site at Saguenay, rather than embedded in the remote mine-site footprint. That remains non-binding and subject to further evaluation, but if technically validated it is a meaningful flowsheet simplification lever because it separates the mine/concentrate operation from the higher-risk chemical processing step.

Bulk sample and pilot readiness: the bridge from technical promise to bankable inputs

The engagement of Auralia Metallurgy and delivery of a roughly 700kg bulk sample into the new optimisation program are more important than they appear at first glance. The stated test sequence moves from 1kg cleaner tests to larger bulk batches of up to 400kg, with the explicit aim of generating concentrate for further hydromet work and supporting variability and pilot-scale testing into the targeted Q3 2026 PFS timetable.

This is the bridge from laboratory proof to engineering confidence. Locked-cycle tests are useful because they simulate a continuous circuit, but bankability depends on showing that representative material can be processed repeatedly, that concentrate specifications are stable, and that variability does not force a more complicated plant or more conservative recoveries. In practice, the data most likely to compress the developer discount are:

- variability results across ore domains and particle-size responses
- pilot-scale concentrate quality versus historical locked-cycle outcomes
- reagent consumption and recycle behaviour

- impurity department into concentrate, tails and residues

If those data land cleanly, the value path improves because study inputs become more defensible and financing optionality broadens. If they do not, the market will keep discounting Ashram as a technically interesting but not yet financeable rare earth development story.

Fluorspar: real upside, but only if it stays additive

Fluorspar is best framed as upside with execution burden. The orebody clearly contains fluorite, historical drilling and resource data support that, and MRZ is now explicitly evaluating recovery routes toward metspar (>65% CaF₂) and acidspar (>94% CaF₂) products. Historical process work also suggested fluorite can be upgraded passively or recovered through a dedicated route linked to the primary REE circuit.

The attraction is obvious: a saleable by-product could improve cash-flow conversion and shorten payback without needing a separate mine. But the risk is equally clear. A fluorspar circuit adds another specification burden, another impurity problem, and potentially additional capex and operating complexity. The correct investor test is not whether fluorspar exists in the orebody; it is whether fluorspar recovery remains net positive after considering:

- impact on REE recovery and concentrate quality
- incremental plant complexity and capex
- product marketability and impurity penalties
- whether a metspar-only case is simpler and more realistic than an acidspar case

What needs to be proven for a credible PEA update

The current work appears sufficient to support a more credible PEA update only if MRZ can turn historical metallurgy into a coherent, repeatable operating basis. The market is likely underpricing that transition because it still anchors on legacy development risk rather than on process simplification and staged de-risking.

The necessary proof points before the stock can re-rate are straightforward:

- flotation results must remain in the historical range on representative bulk material
- impurity data must show a marketable or refinable concentrate path
- variability work must not reveal a major ore-domain penalty
- fluorspar optionality must stay clearly accretive rather than dilutive to the base REE case

If those conditions are met, Ashram starts to look less like a conceptual rare earth option and more like a project building the process confidence required for a funding bridge and a narrower developer discount. If not, the failure mode is equally clear: a more complex plant, slower study progression and no meaningful valuation transfer from metallurgy into financeability.

Asset overview: Ashram underwriting value, exploration as optionality

KEY POINTS

- Ashram is the asset investors are underwriting: a large Quebec rare earths deposit with a 204.3Mt resource at 1.9% TREO, meaningful indicated tonnes and roughly 21% NdPr distribution.
- The indicated component of 73.2Mt gives Ashram more development relevance than a pure blue-sky exploration story, even though 131.1Mt remains inferred and still needs further conversion through study work.
- Location and access are central to value, with northern Quebec logistics shaping capex and schedule; recent road and downstream port concepts make infrastructure an asset-level valuation lever rather than a background detail.
- Fluorspar is the key embedded upside within Ashram rather than a separate asset, while Eldor niobium and Northern Lights should be treated as secondary optionality under disciplined capital allocation.

Ashram is the valuation anchor

MRZ's portfolio is best understood as one underwriting asset plus secondary optionality. The underwriting asset is the 100%-owned Ashram Rare Earths and Fluorspar Project on the Eldor property in Quebec, where the current mineral resource estimate stands at 73.2Mt at 1.89% TREO and 6.6% CaF₂ in indicated plus 131.1Mt at 1.91% TREO and 4.0% CaF₂ in inferred, for a total 204.3Mt at 1.9% TREO. The orebody also carries a reported NdPr distribution of 21.2% in indicated and 21.4% in inferred, which is the key quality signal within the basket rather than simple tonnage alone.

That mix is what differentiates Ashram from MRZ's other holdings. It is already a defined development asset with meaningful scale, not merely an early exploration position awaiting first resource definition. The deposit footprint cited in company disclosure is material at roughly 700m strike, 350m width and 600m depth, reinforcing why market attention should remain concentrated here.

Resource confidence matters more than gross scale alone

The practical distinction inside Ashram is between the indicated and inferred inventory. The indicated tonnage is large enough to support study work with a more credible mine-planning basis, while the inferred tonnage still represents the longer-dated upside that needs further conversion before financing-grade confidence is reached.

For asset ranking purposes:

- Indicated resource underwrites the current development case.
- Inferred resource provides scale and mine-life optionality, but not the same confidence level for lenders or detailed engineering.
- The resource remains a mineral resource, not a reserve, so economic extraction still depends on study, metallurgy and infrastructure assumptions being confirmed.

There is also internal upside within Ashram beyond the formal 2024 resource. MRZ's review of the BD-Zone suggests a more extensive domain than previously interpreted, with mineralisation open at depth and potentially useful for future resource growth if upcoming mineralogical and metallurgical work supports inclusion. That should be treated as embedded optionality within the flagship rather than part of the current underwriting case.

Northern Quebec logistics are part of the asset, not a footnote

Ashram's main physical constraint is not geology; it is logistics. The project sits in northern Quebec, with company materials referencing location about 130km from Kuujuaq and a broader requirement for road, rail and port solutions to move concentrate and inputs efficiently.

Recent disclosure has made that logistics chain more concrete. MRZ has conditional Canadian federal support of up to C\$2.61m to advance revised road-access studies, and the current concept contemplates trucking concentrate roughly 300km to Schefferville, then rail to Sept-Îles, and onward movement to Saguenay. Separately, the company has signed a non-binding MOU with the Port of Saguenay to evaluate a downstream hydrometallurgical facility in the port industrial zone rather than forcing the most complex processing scope onto the mine site.

For valuation, that matters because access and processing location drive:

- upfront infrastructure capital,
- operating logistics costs,
- execution timetable, and
- eventual financing attractiveness.

In other words, infrastructure is not peripheral to Ashram's value path; it is one of the main determinants of whether the asset can narrow its developer discount.

Fluorspar is the embedded economic enhancer

Ashram should not be viewed as a REE-only story. The orebody carries meaningful fluorine content, and current work is explicitly testing whether a separate fluorspar stream can be recovered alongside rare earth concentrate production. Company targets reference potential metspar above 65% CaF₂ and acidspar above 94% CaF₂.

That does not justify assigning full standalone value today. The correct framing is that fluorspar is an embedded economic enhancer inside the flagship asset: potentially useful for by-product credits and improved project economics, but still dependent on process performance, concentrate specification and marketability being demonstrated.

The rest of the portfolio is optionality

Eldor niobium is the most relevant secondary asset because of its physical proximity to Ashram and recurring drill support at targets such as Mallard, Knox and Miranna. There is strategic logic here: if advanced, it could share infrastructure thinking with the Ashram hub. But it remains secondary because the supplied disclosures do not provide a defined niobium resource or a near-term stand-alone development pathway equivalent to Ashram.

Northern Lights sits further down the priority stack. The transaction materials frame it as lithium, copper and gold exploration exposure, but recent activity has been limited and portfolio rationalisation has already signalled a lower capital-allocation priority relative to Ashram. On valuation, it is best treated as retained exploration optionality with disciplined holding spend rather than a core driver of MRZ's current market value.

Development plan: study progression, permitting pathway, and infrastructure/access

KEY POINTS

- Ashram's development sequence remains stage-gated: flotation optimisation and concentrate generation feed a PEA update, while variability, pilot, logistics and permitting inputs are needed before a PFS-level case is financeable.
- The main dependencies are now less geological than practical: repeatable metallurgy, a settled logistics chain, baseline environmental work, and a clearer decision on how much processing sits at site versus at a downstream hub.
- Permitting readiness is advancing through road-study, environmental and stakeholder work-streams, but approvals remain tied to northern Quebec access, Indigenous engagement and the quality of baseline data rather than to study publication alone.
- The Port Saguenay agreement and revised southern access concept are useful proof points that development planning is becoming more concrete, even though both remain subject to further technical, commercial and regulatory work.
- The market still appears to underweight how infrastructure definition can act as a funding bridge, but schedule slippage remains likely if road studies, stakeholder consultation or process route choices fall behind metallurgy.

Study sequence: from technical basis to investable studies

MRZ's current value path at Ashram is best read as a dependency chain rather than a simple calendar. The immediate task is to lock down a repeatable front-end flowsheet capable of producing a marketable rare earth concentrate; that technical basis then feeds the PEA update, which in turn sets the design case for a PFS targeted by management for Q3 2026. Earlier company disclosures linked improved flotation results to an updated PEA, while more recent work restarted optimisation on a ~700kg bulk sample specifically to support variability and pilot-scale readiness.

What still has to be proven before the next study gate is financeable:

- flotation performance across representative material, not just historical locked-cycle benchmarks
- impurity profile and downstream suitability of the new concentrate
- whether a fluorspar circuit is integrated, deferred or excluded from the base case

- logistics assumptions for road, rail and port movements
- baseline environmental data sufficient to support the approvals path

The practical point is that the PEA can be published on partial assumptions, but a funding bridge into PFS and beyond requires fewer soft edges around transport, site layout, residue handling and stakeholder access than a scoping study normally demands.

What must feed the PFS case

The November 2025 Auralia program makes the sequencing explicit: optimise flotation, generate additional concentrate, assess impurities, then carry that material into variability and pilot work aligned to the PFS timeline. That keeps metallurgy central, but not standalone. A PFS-level case also needs a stable view on ore transport, power, process residue management and whether hydromet sits at the mine or elsewhere.

The by-product decision is especially important. Fluorspar recovery could improve economics, but it also changes circuit complexity, product handling and potentially permitting scope. MRZ is testing both metspar and acidspar pathways; until product specification, recovery and impurity trade-offs are clearer, by-product value should still be treated as optional rather than embedded with high confidence.

A second moving part is the process boundary. The non-binding Port Saguenay MOU points to a possible split development model, with concentrate production at Ashram and hydrometallurgical processing in the port's industrial zone, where power, water, gas, rail and marine infrastructure already exist. If that route holds, it could lower site complexity and capex intensity versus a more chemically integrated mine-site case. But it is not yet a committed development configuration; it remains subject to further technical, commercial and regulatory assessment.

Permitting pathway: parallel work, but not yet time-certain

Permitting appears to be moving in parallel with studies rather than waiting for them. That is the right posture for a northern Quebec critical-minerals project, where baseline environmental work, access definition and Indigenous consultation can become schedule-critical long before construction capital is discussed.

The clearest disclosed evidence is the NRCan Critical Minerals Infrastructure Fund support. Commerce first received conditional approval for up to C\$2.61m to progress the access road, with the company explicitly stating that road development is critical to baseline studies, pre-feasibility and feasibility work. That approval was later extended for a revised southern road access strategy, with funds intended to support engineering, environmental and stakeholder consultation packages.

That matters for permitting readiness in three ways:

- access studies create a defined project footprint for regulators and communities
- environmental baseline work can be tied to an actual road and haulage concept rather than a placeholder
- stakeholder engagement becomes more concrete when the company can discuss route options and regional implications

The filings do not yet show final approvals, formal agreements or completed baseline programs, so schedule confidence should remain moderate at best. The critical watchpoint is whether consultation and environmental work keep pace with the engineering concept, rather than becoming a later bottleneck.

Infrastructure and access: where assumptions remain soft

Infrastructure remains the largest swing factor between a technically interesting project and a financeable one. Earlier disclosures referred to a 175km access concept toward the Koksoak River. More recent planning has shifted to a revised southern route: road haul of mixed rare earth concentrate about 300km to Schefferville, then rail to Sept-Îles, and onward shipping or road transport to Port Saguenay.

That revised chain is more development-specific than the market may be crediting. It does not solve the problem yet, but it narrows the range of logistics assumptions. It also links the project to established rail and port infrastructure rather than leaving Ashram as a remote stand-alone concept.

The bottlenecks before financing or construction decisions become realistic are therefore fairly clear:

- due diligence and formalisation of CMIF support
- completion of road engineering and environmental packages
- confirmation that the Saguenay hub concept works technically and commercially
- pilot and variability work sufficient to freeze process design criteria
- baseline studies and consultation progressing without long feedback loops from regulators or stakeholders

A final nuance is that optional growth areas such as the BD-Zone may improve longer-dated economics, but they are not the critical path to development planning today. The near-term market should focus on whether MRZ can convert metallurgy plus infrastructure definition into a coherent PEA-to-PFS pathway that narrows the developer discount and improves financing optionality.

Catalysts and newsflow to watch (FY2026)

KEY POINTS

- The highest-value FY2026 catalysts are the Ashram technical outputs that can convert metallurgical progress into a credible PEA and keep the PFS timetable intact.
- Infrastructure and processing-location updates matter only if they reduce perceived capex and schedule risk rather than simply add conceptual optionality.
- Funding newsflow should be prioritised by whether it narrows the equity burden through grants, strategic partners or offtake rather than by headline announcements alone.
- BD-Zone and other non-core exploration updates can add option value, but they are unlikely to be the primary stock driver unless they feed directly into study economics or financing optionality.

What to prioritise in FY2026

MRZ's FY2026 newsflow should be screened through one lens: does it improve confidence in Ashram's value path from study-stage developer to a financeable project. The market is unlikely to re-rate routine corporate updates on their own; the more important releases are those that either tighten the technical basis for the PEA/PFS, lower infrastructure uncertainty, or improve the funding bridge and reduce reliance on punitive equity.

High-impact re-rate triggers

1) Metallurgy that converts into study confidence

The most important near-term catalyst remains delivery from the restarted Ashram flotation program. The company has already re-engaged Auralia Metallurgy, received a ~700kg bulk sample in Australia and framed the work around flotation optimisation, variability testing, concentrate production for hydromet work, and evaluation of a fluorspar recovery circuit, with PFS-related testing targeted into Q3 2026.

For valuation, the key evidence is not another standalone lab result. It is:

- repeatability of concentrate grade and recovery across representative material
- production of sufficient concentrate for downstream hydromet optimisation
- impurity data that supports product marketability

- a clearer view on whether fluorspar is a genuine economic credit rather than process complexity

A strong result here is a re-rate trigger because it narrows the developer discount on processing risk and gives the PEA update a firmer operating basis.

2) Infrastructure and processing pathway de-risking

The second cluster of catalysts sits around logistics and plant configuration. The Port of Saguenay MOU is only non-binding, but it is still useful if subsequent updates show the hydromet component can credibly be shifted into a better-serviced industrial setting with port, rail, power and utilities, rather than remaining an abstract option.

Similarly, the extended conditional CMIF support for the revised southern road access strategy matters less for the grant headline itself than for what follows: due diligence completion, formal agreement execution, and engineering/environmental packages that feed baseline studies and the PFS/FS path.

The market is likely to respond most if management can show that the road-to-Schefferville, rail-to-Sept-Îles, onward-Saguenay chain is becoming the base-case logistics solution, because that would improve confidence around capex, schedule and financing scope.

Development milestones: what is routine vs what is valuation-relevant

Routine disclosure in FY2026 will include study progress language, baseline fieldwork and general stakeholder updates. The valuation-relevant threshold is higher.

Prioritise the following:

- confirmation that the PEA update is not slipping because metallurgy, logistics or environmental workstreams are incomplete
- evidence that the company-stated Q3 2026 PFS target remains realistic rather than aspirational
- baseline and access studies that meaningfully reduce permitting-path uncertainty, not just confirm work has commenced
- any update that clarifies whether Saguenay hydromet and southern road access are becoming embedded assumptions in future studies rather than parallel concepts

By contrast, ASX reinstatement and merger-completion steps were necessary resets for liquidity and corporate credibility, but they are now largely behind the stock and should not be confused with fresh fundamental catalysts.

Financing catalysts: the funding bridge matters as much as the study

Funding remains the most sensitive valuation variable. Historic Commerce filings made clear that pre-transaction liquidity was insufficient and that additional funding was required, while the interim note financing carried a 20% coupon. The company's improved cash position after recapitalisation gives it study runway, but not a full development solution.

The most important financing signals in FY2026 are therefore:

- conversion of conditional CMIF support into committed non-dilutive funding
- strategic partner or offtake discussions tied to downstream processing or product placement
- any structure that reduces the equity call required to finish PFS and move into later-stage permitting
- the terms of any fresh capital raise, especially pricing, attached securities and strategic participation

A partner-backed or government-supported funding bridge would likely move the stock more than a conventional placement, because it would imply milestone-to-financing value transfer that the market still underprices.

Secondary optionality, not primary drivers

BD-Zone is worth watching, but it is still secondary. The February review suggested the zone may be more continuous than previously interpreted, carries encouraging NdPr and TbDy distributions, and could potentially support future resource inclusion if planned scoping metallurgical work is successful.

That said, it is not yet a core FY2026 stock driver unless results are strong enough to feed directly into future resource or pit optimisation assumptions. Until then, BD-Zone is better treated as upside optionality rather than the underwriting catalyst.

Indicative catalyst sequence for the next 6–12 months

Highest priority sequence

- Flotation optimisation and variability outputs; concentrate generation for hydromet follow-up.
- Further clarity on fluorspar circuit viability and saleable product pathway.
- CMIF due diligence and formalisation; road-study packages that support baseline and PFS work.
- Saguenay follow-up work that turns the MOU into a more concrete processing/logistics case.
- PEA update completion and, critically, confirmation that the PFS timetable remains intact.
- Strategic funding, offtake or partnership news that narrows the future equity burden.

The best FY2026 outcome is a sequence where technical proof improves first, infrastructure assumptions firm up second, and financing optionality strengthens third. The thesis weakens if that order reverses — for example, if capital is raised before the market has sufficient evidence on metallurgy, logistics and study quality.

Key risks and ESG considerations

KEY POINTS

- The core risk remains funding: MRZ has improved near-term liquidity post-transaction, but Ashram still requires substantially more capital to reach PFS, permitting and development without heavy dilution.
- Metallurgical proof is encouraging but still incomplete; repeatability across ore domains, impurity control and customer-acceptable product specifications remain the main technical swing factors.
- Permitting, access and stakeholder execution in northern Quebec are financeability risks rather than box-ticking ESG issues, because road, logistics and consultation outcomes will shape schedule and capital intensity.
- Governance risk has eased since ASX re-compliance and trading reinstatement, but the prior suspension and corporate transition raise the bar for disclosure cadence, study discipline and management execution.

Core failure modes

MRZ is still best treated as a pre-revenue developer where the thesis breaks first through funding gap, dilution, schedule slippage, capex escalation or weaker-than-expected study assumptions rather than through day-to-day operating misses. The historical context matters: pre-transaction Commerce disclosures carried explicit going-concern language, with cash of only C\$443k and a working-capital deficit of C\$2.36m at 31 July 2025, while secured convertible notes were raised at a 20% coupon to bridge the business through the merger process. That funding bridge has since improved through the A\$10m raise and ASX reinstatement, but it remains only a bridge to studies, not to construction.

Leading indicators to watch

- Cash burn versus metallurgy, PEA and PFS enabling budgets.
- Any equity issuance relative to technical milestones achieved.
- Terms on strategic funding, offtake or partner capital, especially any upfront cash or capex-sharing features.
- Whether government support remains conditional or converts into binding, usable funds.

Process, scale-up and product risk

Ashram's value path depends on converting promising lab and locked-cycle work into a repeatable, financeable process basis. Historical and restarted flotation work has produced roughly 35.8–36.8% REO concentrate at 65–68% recovery, and the company has moved into bulk-sample optimisation and variability work aimed at a PFS timeline in Q3 2026. The market is arguably right to keep a discount here: rare earth projects often fail not because concentrate cannot be made, but because recoveries vary by domain, impurity department worsens at scale, or downstream customers discount payability.

The same applies to the fluor spar by-product case. The company is testing metspar and acidspar pathways, but by-product credits only help if saleable CaF₂ specifications can be achieved without adding disproportionate capex, reagent intensity or flowsheet complexity. The non-binding Saguenay port arrangement may reduce chemical processing risk by shifting hydromet offsite, but it is still subject to technical, commercial and regulatory studies, so it should be viewed as an option rather than a solved problem.

Leading indicators to watch

- Variability results across representative ore domains, not single-point test outcomes.
- Concentrate impurity profile and any evidence of penalty elements affecting marketability.
- Pilot-scale mass balances, reagent consumption and concentrate specification consistency.
- Updated study assumptions for recovery, payability and downstream processing scope.

Permitting, access and ESG as financeability risk

For MRZ, ESG is primarily an execution and funding issue. The biggest environmental and social risk is not abstract policy exposure; it is whether access, baseline studies and stakeholder engagement progress fast enough to keep Ashram financeable. The access road and broader logistics solution are central because they affect permitting timelines, infrastructure capex and the credibility of the development schedule.

That is why the conditional NRCan Critical Minerals Infrastructure Fund support matters, but also why it should not be over-credited. The C\$2.61m approval has been extended and would fund engineering, environmental and stakeholder consultation packages for the revised southern road access strategy, yet it remains conditional on due diligence and a formal agreement. In other words, it is a useful mitigant, not a completed de-risking event.

The social dimension is similar. Company disclosures frame road studies as involving stakeholder consultation and potential benefits for Indigenous communities, but investors should focus on whether consultation converts into durable access and approval momentum rather than on headline statements alone.

Leading indicators to watch

- Conversion of conditional road funding into executed funding agreements.
- Completion of baseline environmental packages tied to study and permitting gates.
- Clarity on road, rail and port sequencing and who funds each component.
- Evidence of structured engagement outcomes rather than generic stakeholder commentary.

Commodity, market and governance risk

MRZ is leveraged to NdPr pricing and to capital-market appetite for critical minerals developers. Even if the technical case improves, weak rare earth prices or a risk-off junior market can widen the developer discount and force equity issuance before the asset is sufficiently de-risked. That is especially relevant because earlier transaction documents explicitly tied completion to a Mont Royal equity raise, illustrating how dependent the corporate strategy has been on external capital access.

Governance risk has improved but not disappeared. The company completed the Commerce transaction in October 2025, re-complied with ASX Chapters 1 and 2, and resumed trading on 5 November 2025. That removes one obvious overhang, but the prior suspension, management turnover through 2025 and the complexity of integrating securities, options, warrants and notes mean investors should expect a high standard of disclosure discipline from here.

Leading indicators to watch

- Delivery of the PEA and PFS workstreams on the company's stated timetable.
- Simplicity and consistency of quarterly reporting on studies, metallurgy and funding use.
- Board and management stability, especially technical and project-development capability.
- Whether milestone delivery narrows the need for punitive equity rather than merely postponing it.

Key mitigants

The main offsets are credible but partial:

- staged development, which avoids committing full capex before metallurgy, logistics and permitting are better defined;
- dual-market access after the merger and ASX reinstatement, which broadens funding avenues;
- targeted government support for enabling infrastructure, which can reduce equity burden if it becomes definitive;
- disciplined prioritisation of Ashram over non-core portfolio spend, which should improve cash-flow conversion from technical milestones into financing optionality.

The practical test is straightforward: if MRZ can turn technical progress into a firmer funding bridge while keeping access and permitting on track, the developer discount can narrow. If not, dilution and timeline risk will dominate the value path.

Capital structure, funding runway, and dilution analysis

KEY POINTS

- Management reports ~A\$10.5m cash, ~191.1m basic shares, and a material equity overhang of ~92.1m options plus ~12.3m performance rights, implying ~55% potential dilution versus the current basic share count.
- MRZ's September 2025 prospectus contemplated raising A\$8–10m via 40–50m new shares at A\$0.20 (post-consolidation); later investor materials indicate the ~A\$10m raise was completed.
- Interim structured funding was referenced at the Commerce level via secured convertible notes (C\$2.15m gross), but detailed terms and whether any balance remains post-transaction are not clear from the supplied summaries.
- Despite improved near-term liquidity after re-quotations and the capital raise, MRZ remains structurally funding-dependent through PEA/PFS workstreams, with dilution risk sensitive to the extent of non-dilutive government support and/or strategic partnering.

Current capital snapshot (management-reported)

MRZ remains a pre-revenue developer; capital structure and funding access are therefore central to pacing study work and managing per-share outcomes (see Investment Thesis & Outlook). Management's January 2026 investor materials provide a high-level snapshot of liquidity and valuation: cash of A\$10.5m, market capitalisation of A\$38.2m, and enterprise value of A\$27.7m (management-reported).

Equity base and equity-linked overhang

Management reports 191.14m basic shares on issue, with 92.13m options and 12.26m performance rights outstanding. On a simple, fully diluted basis (assuming all options and performance rights ultimately convert/vest), total potential securities would be ~295.5m, implying an incremental ~54.6% dilution versus the current basic share count. This level of "equity optionality" can matter for institutions in three ways:

- Financing headroom vs per-share value: a large overhang can cap near-term per-share re-rating if investors assume material future issuance to fund studies, even when headline enterprise value appears modest.
- Sensitivity to vesting/exercise timing: if equity-linked instruments are in-the-money and exercised during strong momentum, dilution can accelerate; if they are out-of-the-money, they may still represent an incentive/retention tool but not near-term cash.

Cost of capital signalling: large incentive pools and option stacks can be interpreted as a higher “fully diluted” price paid by new equity investors, particularly if future raises must be priced with an allowance for that overhang.

Recent financing: September 2025 prospectus raise and completion

MRZ lodged a prospectus in September 2025 targeting A\$8–10m, structured as a Public Offer and Broker Offer (not underwritten), via the issue of 40–50m new shares at A\$0.20 per share (post-consolidation), subject to conditions and shareholder approvals aligned with the re-compliance/transaction timetable.

In January 2026 investor materials, management states the company completed a ~A\$10m capital raise, consistent with the prospectus objective and supporting the post-transaction cash position reported (A\$10.5m).

Interim/structured funding referenced: Commerce secured convertible notes

Prior to the recapitalisation and re-listing steps, MRZ disclosures referenced interim liquidity at the Commerce level via secured convertible notes with gross proceeds of C\$2.15m (with finder fees and finder warrants also disclosed). The supplied summaries do not provide decision-useful detail on coupon, maturity, security package, conversion price mechanics, covenants, or whether any amounts remain outstanding after the transaction steps; accordingly, this is best treated as context for the group’s path through the suspension/transaction period rather than as an underwritten, ongoing funding source.

Runway framing and why MRZ remains funding-dependent

MRZ’s current cash balance appears sufficient for near-term workstreams, but the company’s own staged plan (PEA update progressing toward a targeted PFS timeframe) implies ongoing funding requirements as technical scope expands. In the absence of detailed burn guidance in the supplied materials, runway is best analysed by spend buckets rather than monthly cash burn:

- Metallurgy and flowsheet work: flotation optimisation/variability work and concentrate generation for downstream hydromet programmes (largest controllable technical spend line in the near term).
- Studies and engineering: PEA refresh activities and engineering integration required to converge on a financeable configuration (study spend tends to step up meaningfully moving from scoping to PFS-level definition).
- Permitting and baseline programs: multi-season baseline requirements can drive both cost and schedule dependency; delays can translate directly into additional funding events.
- Corporate/public company costs: ASX compliance, reporting cadence, and the overheads associated with maintaining market access.

Given the lack of operating cash flow, any schedule slippage or scope creep typically increases reliance on equity issuance—raising the importance of sequencing spend against milestones that can re-rate the stock (and therefore reduce dilution per dollar raised).

Non-dilutive possibilities and timing risk

MRZ highlights Canada's critical minerals support environment and references government funding programs (including CMIF) in investor materials. Separately, earlier disclosures referenced an estimated C\$0.28m exploration tax rebate expected within six months (timing subject to program administration). While these mechanisms can reduce net equity needs at the margin, institutions should treat them as conditional and timing-sensitive:

- program eligibility and matching requirements can constrain use of funds; and
- receipt timing may not align with peak cash needs during study/test-work cycles.

Dilution sensitivity: illustrative funding pathways through PFS

With burn guidance not disclosed in the provided inputs, we frame dilution risk directionally rather than numerically. Key scenarios for funding through PFS include:

- Equity-led pathway (base case for micro-cap developers): multiple placements/rights issues staged around metallurgical and study milestones; dilution risk increases if capital is raised before study outputs materially compress technical uncertainty.
- Strategic investment/offtake-linked equity: a cornerstone or strategic investor can reduce execution risk perception and potentially lower the equity discount rate, but often comes with product rights, board influence, or staged performance conditions.
- JV/asset-level partnership or royalty/stream structures: can reduce corporate equity issuance, but may permanently reduce asset-level upside; the trade-off is often most acute for a single-asset-led developer.

The practical metric for investors is per-share exposure to the project's eventual economics: higher reliance on common equity (plus a large equity-linked overhang) increases the probability that technical de-risking benefits accrue to a larger fully diluted share base.

Liquidity and listing status: re-quotation impact and dual listing optionality

ASX re-quotation from 5 November 2025 restored normal market liquidity and financing capacity, removing a material overhang from the suspension period. Management also references a dual ASX/TSXV orientation as a potential capital access lever. While dual-market presence can broaden the investor pool for a Canada-based critical minerals narrative, it can also introduce incremental cost, governance complexity, and messaging discipline requirements—factors that matter for a small-cap issuer managing a milestone-driven funding plan.

Financial outlook: burn, study spend, and path to next inflection

KEY POINTS

- Historic reported losses overstate the economic burn problem because FY2024 included a large Blue River disposal loss, while the more relevant signal is that cash use was heavily constrained by underfunding through mid-2025.
- Current funding is best viewed as a study-stage bridge that can fund metallurgy, baseline and permitting work through the next key Ashram deliverables, but not as a full path to PFS completion and development decision.
- Base-case spend should remain dominated by Ashram technical work and permitting support, with portfolio maintenance and corporate costs secondary if management keeps capital discipline.
- Slower spend extends runway but risks deferring the very milestones needed to narrow the developer discount and improve financing terms.
- Non-dilutive items such as CMIF support and tax rebates should be treated as offsets only when secured and available, not as core runway assumptions.

Cash burn: what history says, and what it does not

MRZ's historical financials need to be read as a liquidity story rather than a profit-and-loss story. The more decision-useful datapoints are cash outflows: FY2024 operating cash burn was C\$2.32m and investing cash use on exploration and evaluation was C\$5.87m, indicating total cash deployment of a little over C\$8m before financing inflows.

That burn rate was not sustained into 2025. By January 2025, cash had fallen to C\$506k, with C\$706k used in operations and C\$1.26m used in investing in just the quarter, leaving only modest working capital and explicit going-concern language. By April 2025, cash was down again to C\$458k and the company reported a working capital deficit, which strongly suggests activity was being rationed by available liquidity rather than calibrated to an optimal Ashram work plan. By July 2025, cash was still only C\$443k despite the interim convertible note raise, and management again stated existing cash resources were insufficient to cover liabilities and overhead over the next 18 months.

The practical conclusion is that pre-merger cash burn understates the work MRZ actually wants to do at Ashram. It reflects periods of severe underfunding, not a steady-state study budget.

Near-term spend bridge: where the cash should go

With the post-transaction cash balance materially improved, the relevant question is how the next funding bridge is allocated. In our view, the spend stack over the next 6–12 months should be framed in five buckets:

- Metallurgy and process development: flotation optimisation, variability work, concentrate generation and downstream hydromet optimisation remain the core technical spend line for Ashram.
- Environmental baseline and permitting support: baseline programs and permitting preparation are necessary to keep the PFS pathway credible rather than purely technical.
- Infrastructure/access study support: road-access and logistics work are enabling expenditures, but should be funded conservatively until grant support is fully contracted.
- Corporate overhead and listing/compliance: dual-market reporting, management, technical staff and public-company costs remain unavoidable but should be kept subordinate to Ashram workstreams.
- Portfolio maintenance: Northern Lights and other legacy assets should consume only minimal holding or tenement-preservation spend absent a clear value-accretive catalyst.

This mix is consistent with management's stated use of funds for the A\$10m raise: Ashram studies, environmental baseline and permitting support, with only limited portfolio and transaction-related spend outside the flagship asset. It is also consistent with the pre-merger interim note financing, which was explicitly intended to continue Ashram studies and working capital during the transaction process.

Runway: base case versus accelerated case

On management's current cash position, the company appears funded for near-term milestone work, but the buffer should be thought of as measured in study phases, not years. In a base-case program, MRZ can likely fund ongoing metallurgy, baseline work, permitting support and normal corporate costs long enough to deliver the next leg of technical proof and maintain momentum into the PFS workstream. In an accelerated case—where metallurgy, variability testing, infrastructure studies and permitting all run at higher intensity in parallel—the timing of the next financing bridge likely pulls forward.

The key point is that Ashram does not yet have a self-funding engine. Even if current cash carries the company through the next 6–12 months, materially larger capital will still be required before full PFS completion, FS/permitting progression and any development decision. That is exactly why milestone pacing matters: each credible de-risking step should improve financing optionality and reduce the cost of the next dollar raised.

Offsets: useful, but not underwriting assumptions

Potential offsets exist, but they should be treated conservatively. The most visible is the conditional CMIF support for access-road studies, now extended at up to C\$2.61m, but still subject to due diligence and a formal agreement. That support is strategically important because it can move a meaningful infrastructure workstream off the equity balance sheet, but it should not be assumed as cash in hand until documentation is complete.

Likewise, the exploration tax rebate and any future strategic contributions or offtake-related support may reduce net equity needs, but they are best treated as upside to runway rather than base-case liquidity. In the market's current risk appetite, unsecured non-dilutive funding should narrow the developer discount only once it is demonstrably available.

Path to next inflection

The market is unlikely to reward cash conservation on its own. Burn efficiency only improves valuation if spend converts into re-rate triggers. For MRZ, the next 6–12 months should be underwritten against three outputs:

- repeatable Ashram metallurgy and concentrate generation suitable for downstream work,
- visible progress on baseline, permitting and logistics studies, including grant-backed access work where secured,
- a funding bridge for the next study phase that is negotiated after technical progress, not before it.

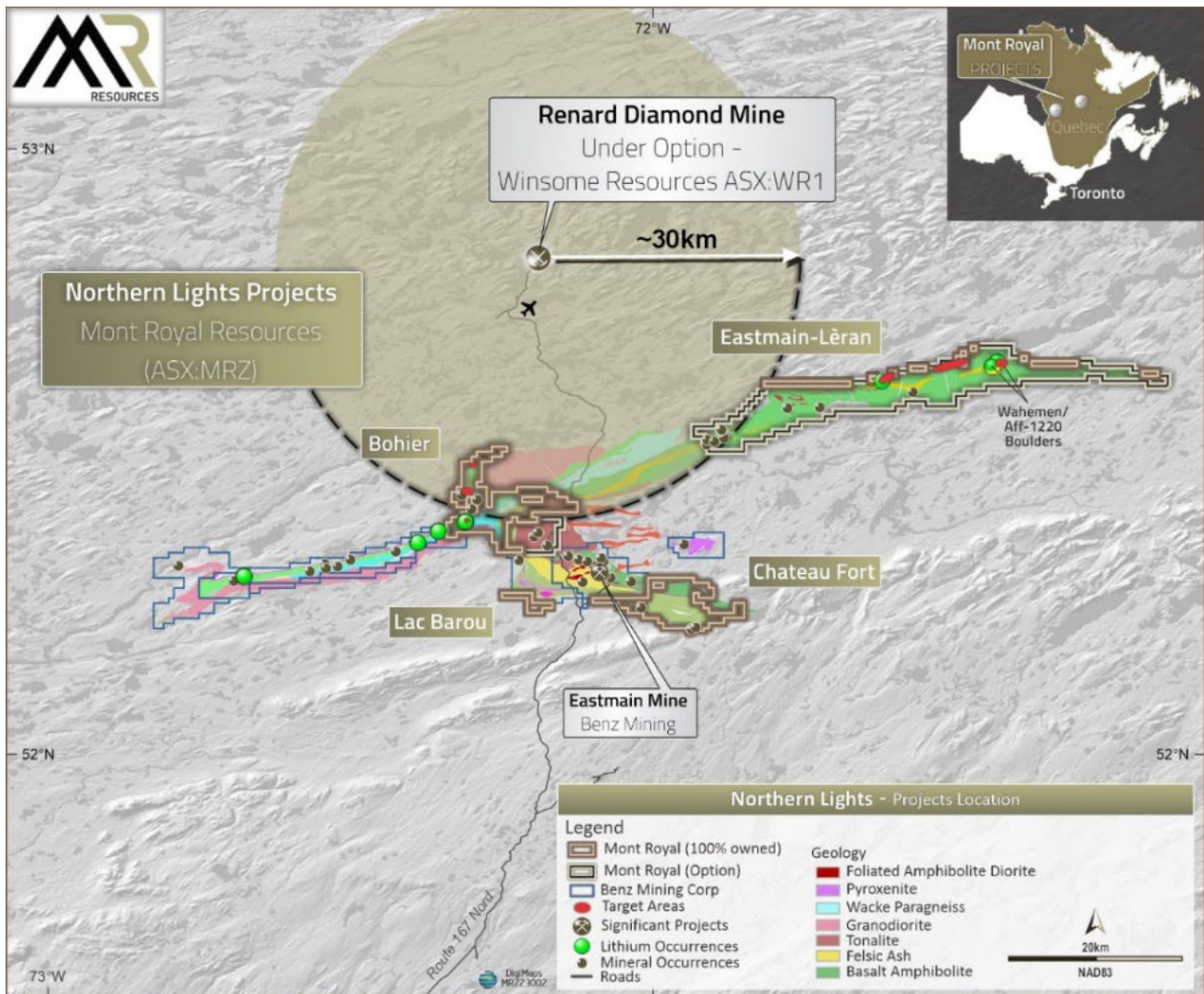
That is the core financial outlook. The company does not need to prove near-term earnings; it needs to prove that each dollar spent increases the probability of cash-flow conversion later. If that sequence holds, study spend becomes value-accretive rather than merely dilutive. If it slips, the risk is not just higher burn; it is a return to raising equity before the market sees enough progress to pay for it.

Appendix: disclosure extracts, key figures, and glossary

KEY POINTS

- Ashram's disclosed Mineral Resource is 204.3 Mt at 1.90% TREO, split between 73.2 Mt Indicated and 131.1 Mt Inferred.
- Key corporate timetable items include the September 2025 prospectus (A\$8–10m), ASX re-quotations effective 5 November 2025, Auralia flotation optimisation start (bulk sample ~700 kg), and the January 2026 investor deck.
- Management-reported capital structure snapshot shows 191.14m basic shares, plus 92.13m options and 12.26m performance rights.
- Glossary definitions are provided for common REE and study terminology used throughout the report, including TREO/REO, NdPr, LREE/HRRE, PEA/PFS and fluorspar product specifications.

Disclosed Ashram key figures (as cited)



Ashram project location and regional context

Table 1: Mineral Resource and composition metrics

METRIC (AS DISCLOSED)	INDICATED	INFERRED	TOTAL	UNIT	NOTES
Mineral Resource tonnage	73.2	1311	204.3	Mt	Ashram MRE totals as cited by company materials and quarterly disclosure.
Average grade (TREO)	1.89	1.91	1.90	%	Reported grades by category; total average cited by company.
CaF2 content	6.6	4.0	—	%	CaF2 reported by category; not

					a product specification.
NdPr as % of TREO	21	21	—	%	Company-cited NdPr share of TREO (magnet REE weighting indicator).
Contained TREO	—	—	3.88	Mt	Company-cited contained TREO for total MRE.
Distance reference (Ashram to Kuujuaq)	—	—	130	km	Regional logistics reference used in company materials.

Key corporate events (date-stamped disclosure)

Table 2: Corporate milestones and filings

DATE (RELEASED)	EVENT	DISCLOSURE DETAIL (HIGH LEVEL)	FILING ANCHOR
30 Jul 2025	Quarterly activities and transaction context	Noted transaction progress and provided Ashram MRE category metrics; disclosed low cash at quarter end and referenced Commerce interim financing (secured convertible notes) and expected Québec exploration tax rebate estimate.	cr20294639
17 Sep 2025	Prospectus lodged (capital raise)	Proposed A\$8–10m raise via 40–50m new shares at A\$0.20 (post-consolidation); detailed timetable and conditions for re-compliance and reinstatement.	cr20502264
4 Nov 2025	ASX reinstatement announcement	ASX suspension to be lifted with securities to recommence trading from 5 Nov 2025 after re-compliance with Listing Rules Chapters 1 and 2.	cr20664133
30 Nov 2025	Auralia flotation optimisation commenced	Engagement of Auralia Metallurgy; bulk sample ~700 kg; prior SGS Lakefield benchmark outcomes cited; fluorspar product targets (metspar/acidspar)	cr20772569

		referenced; PFS timeline target cited as Q3 2026.	
18 Jan 2026	Investor presentation	Management-reported snapshot of resource metrics, metallurgical recoveries, basket value framing, cash/EV/market cap and security counts (shares/options/performance rights).	cr20969107

Capital structure snapshot and definitions

Table 3: Management-reported security counts

SECURITY TYPE	COUNT	UNIT	DEFINITION / COMMENT	FILING ANCHOR
Ordinary shares (basic)	191.14	million	Issued ordinary shares on a basic basis (management-reported snapshot).	cr20969107
Options	92.13	million	Equity-linked securities that may convert into ordinary shares subject to their terms (strike/expiry not reproduced here).	cr20969107
Performance rights	12.26	million	Incentive/contingent rights that may convert into ordinary shares subject to vesting conditions (terms not reproduced here).	cr20969107

Glossary

- TREO: Total rare earth oxides (sum of rare earth oxides, typically expressed as a percentage of ore).
- REO: Rare earth oxides (often used similarly to TREO in company disclosure; readers should verify whether "REO" is used as TREO equivalent in each cited table/statement).
- NdPr: Neodymium + praseodymium (commonly grouped as a magnet-REE indicator).
- LREE / HRRE: Light rare earth elements / heavy rare earth elements (groupings used in metallurgical reporting and value-basket discussions).
-

PEA: Preliminary Economic Assessment (early-stage scoping study; not a feasibility study and typically based partly on inferred resources).

- PFS: Pre-Feasibility Study (a more detailed study stage than PEA; typically requires tighter engineering definition and more representative metallurgical evidence).
- Metspar / Acidspar: Fluorspar product categories; company-referenced targets include metspar >65% CaF₂ and acidspar >94% CaF₂ (specification targets, not guarantees).
- NI 43-101: Canadian mineral project disclosure standard; MRZ references Ashram's resource estimate in an NI 43-101 framing in quarterly disclosure.

Methodology notes (data treatment and limitations)

- Management-reported figures: Certain metrics (cash, enterprise value/market cap snapshot, basket value framing, metallurgical recoveries, and security counts) are presented as management-reported at the time of the investor presentation and may change with subsequent market movements, issuances, or updated technical work.
- Resource metrics: Resource tonnage/grade figures are reproduced as disclosed in the cited filings; they are not mineral reserves and do not, by themselves, demonstrate economic extractability (readers should refer to the underlying technical report(s) once provided by the company).
- Capital raising terms: Prospectus amounts, share counts and timetable are reproduced from the prospectus lodgement announcement; actual completion outcomes and post-transaction capital structure should be confirmed against later disclosures and the company's issued capital statements.
- Dataset constraints: This appendix is limited to the filings specified in the section inputs; it does not attempt to harmonise figures across reporting regimes beyond what is explicitly disclosed in those filings.

Source map (filings used in this appendix)

FILING ID	TITLE (AS PROVIDED)	PRIMARY USE IN APPENDIX
cr20294639	Quarterly Activities Report	Resource category metrics; cash context and transaction-era funding references.
cr20502264	Lodgement of Prospectus	Capital raise structure, pricing, and disclosed timetable.
cr20664133	Reinstatement to Quotation	ASX re-quotation effective date and re-compliance statement.
cr20772569	Auralia Metallurgy Begins Flotation Test Work Optimisation	Metallurgy program start, bulk sample size, benchmark flotation outcomes, fluorspar targets, and PFS timing reference.
cr20969107	Investor Presentation	Consolidated management snapshot of resource totals, composition, re-

coveries, valuation/liquidity and capital structure counts.

Appendix: resource, metallurgy, capital structure, and glossary

KEY POINTS

- Ashram remains the core reference asset, with the current disclosed mineral resource estimate of 73.2Mt indicated at 1.89% TREO and 131.1Mt inferred at 1.91% TREO, plus associated CaF₂ content and NdPr distribution.
- Metallurgical disclosures support a concentrate-first development path, with flotation producing roughly 35.8-36.8% REO concentrate at 65-68% recovery, hydromet recoveries reported at 95% for LREE and 82% for HRRE, and fluorspar product targets under evaluation.
- The post-transaction capital structure is materially reset versus the legacy Commerce balance sheet, but dilution risk remains relevant given the option and performance-right overhang and the history of interim funding instruments.
- Historical milestones show the project moving from bench and batch-scale process validation into current optimisation, study refresh and infrastructure planning, while non-core assets remain secondary to Ashram in capital allocation.

Ashram resource reference

Table 1: Mineral resource snapshot

CATEGORY	TONNAGE (MT)	TREO GRADE (%)	CAF ₂ (%)	NDPR AS % OF TREO	NOTES
Indicated	73.2	1.89	6.6	21.2	Current Ashram MRE effective April 2024.
Inferred	131.1	1.91	4.0	21.4	Current Ashram MRE effective April 2024.
Total	204.3	1.90	—	—	Company-reported total resource basis.

Contained TREO	3.88	—	—	—	Management presentation metric.
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- Resource estimates are not mineral reserves and economic extraction has not yet been demonstrated.
- Historical drilling and model work underpinning Ashram has been updated over time; 2019 assay releases from legacy 2016 drilling supported continuity at the deposit margins and reinforced fluorite presence within the system.
- The BD-Zone remains excluded from the 2024 resource; management is planning further mineralogical and metallurgical work before considering future inclusion.

Metallurgy and product-path reference

Table 2: Metallurgical summary

WORKSTREAM	KEY DISCLOSED OUTCOME	STATUS / IMPLICATION
Flotation locked-cycle testing	35.8-36.8% REO concentrate at 65-68% overall recovery from ~2.1% REO head grade.	Current basis for concentrate-first flowsheet and PEA/PFS support work.
Hydromet optimisation	95% LREE recovery and 82% HRRE recovery reported in company materials.	Further optimisation and impurity management still required on new concentrate samples.
Large-batch historical processing	~1,500kg of deposit material processed; ~170kg flotation concentrate produced at 11.2% REO in large-batch work, with downstream leach route to mixed REE chemical concentrate demonstrated.	Historical proof that flotation concentrate can be advanced into downstream chemical processing.
Fluorspar by-product	Metspar target >65% CaF ₂ ; acidspar target >94% CaF ₂ .	By-product circuit under evaluation rather than fully incorporated as a settled design case.
Fluorspar product quality history	Acid-spar grade fluorspar of 97.8% CaF ₂ reported in test work.	Supports by-product optionality, subject to recovery, impurity and economic trade-offs.

Table 3: Selected historical metallurgical milestones

DATE	MILESTONE	REFERENCE
Aug 2019	Laval report confirmed flotation-to-caustic/acid leach route to mixed REE chemical concentrate and	

	identified a new reagent scheme for improvement.	
Mar 2025	Locked-cycle flotation update cited simplified flowsheet performance at ~36% REO concentrate and 65-68% recovery.	
Nov 2025	Auralia engaged for optimisation; ~700kg bulk sample delivered for flotation variability and fluorspar circuit assessment.	
Jan 2026	Port Saguenay MOU opened an option to site hydromet processing offsite in an established industrial zone.	
Feb 2026	CMIF conditional funding extension maintained support for revised road-access studies.	

Capital structure reference

Table 4: Current equity and liquidity snapshot

ITEM	AMOUNT	NOTES
Cash	A\$10.5m	Management-reported cash snapshot.
Basic shares outstanding	19114m	Management presentation metric.
Options	9213m	Potential dilution overhang.
Performance rights	12.26m	Potential dilution overhang.
Market capitalisation	A\$38.2m	Management-reported snapshot.
Enterprise value	A\$27.7m	Management-reported snapshot.

Table 5: EV bridge and diluted reference

BRIDGE ITEM	A\$M
Market capitalisation	38.2
Less: cash	(10.5)

Enterprise value	277
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DILUTION REFERENCE	SECURITIES (M)
Basic shares	191.14
Options	92.13
Performance rights	12.26
Basic + listed/plan overhang	295.53

Table 6: Recent financing and transaction instruments

DATE / PERIOD	INSTRUMENT	AMOUNT	KEY TERMS / USE
May 2025	Secured convertible notes	C\$2.15m	Interim funding for Ashram studies and working capital; 20% coupon; maturity May 2027.
Sep-Oct 2025	Replacement prospectus / public offer	A\$8m-A\$10m target	40-50m new shares at A\$0.20; not underwritten; used for Ashram studies, environmental baseline and working capital.
Oct 2025	Commerce-Mont Royal arrangement completion	—	Share-based combination completed 21 October 2025; part of the capital structure reset.
Nov 2025	ASX reinstatement	—	Trading resumed after re-compliance with Chapters 1 and 2.
Government support	CMIF conditional approval / extension	Up to C\$2.61m	Access-road study funding, still conditional on due diligence and formal agreement.

Legacy balance-sheet reference

Prior to the merger-related recapitalisation, Commerce reported cash of C\$443k and a working capital deficit of C\$2.36m at 31 July 2025, alongside explicit going-concern disclosure and reliance on interim notes and further financing. This remains relevant context when comparing the current funding bridge with the legacy corporate position.

Selected chronology

Technical and corporate milestones

DATE	EVENT
2019	Historical Laval work validated flotation concentrate processing into mixed REE chemical concentrate.
Nov 2019	Legacy Ashram assays from 2016 drilling reinforced grade continuity and fluorite content at deposit margins.
Apr 2025	Arrangement announced to acquire Commerce and form the current Ashram-led platform.
May 2025	Interim secured convertible notes completed ahead of transaction close.
Sep 2025	Commerce circular set out exchange ratio and treatment of options, PSUs, warrants and notes under the arrangement.
Oct 2025	Replacement prospectus lodged to support ASX re-compliance and equity raising.
Oct-Nov 2025	Arrangement completed and ASX quotation reinstated.
Nov 2025 onward	Metallurgical optimisation restarted; PFS timing framed around Q3 2026 in company disclosures.
Jan-Feb 2026	Port Saguenay MOU and CMIF extension advanced logistics and infrastructure studies.

Concise note on non-core projects

- Eldor niobium: remains portfolio optionality adjacent to Ashram; drill results at Mallard, Miranna and related targets support prospectivity, but no resource base is provided in the current MRZ framing used for valuation.
- Northern Lights: retained as secondary exploration optionality; current capital allocation is centred on Ashram rather than aggressive spend on the Australian/legacy exploration portfolio.

Glossary

REE and product terms

- TREO / REO: Total rare earth oxides; a grade or product measure used for rare earth mineralisation and concentrate quality.

NdPr: Combined neodymium and praseodymium oxides; key magnet rare earth components.






- MREC: Mixed rare earth carbonate; an intermediate downstream product.
- Mixed REE chemical concentrate: A chemically upgraded intermediate produced before solvent extraction or full separation.
- Monazite concentrate: A mineral concentrate rich in monazite, one of the principal rare earth-bearing minerals at Ashram.
- CaF₂: Calcium fluoride; the saleable basis for fluorspar products.
- Metspar / acidspar: Lower- and higher-purity commercial fluorspar products, with acidspar requiring materially higher CaF₂ purity.
- Payability: The proportion of contained metal value actually paid for by the customer after product specification, impurity and contract adjustments.

Study-stage terms

- PEA: Preliminary economic assessment; a scoping-level study with lower confidence than later-stage studies.
- PFS: Pre-feasibility study; more detailed engineering and cost work used to narrow technical and economic uncertainty.
- FS / BFS: Feasibility study / bankable feasibility study; higher-confidence study work typically used for financing and development decisions.
- Locked-cycle test: A laboratory flotation test designed to better simulate continuous plant operation than a single-pass bench test.
- NSR: Net smelter return royalty; royalty paid as a percentage of revenue or value realised from mineral sales after specified deductions.
- Flow-through shares: Canadian tax-advantaged equity issued by explorers where eligible exploration expenditure is renounced to investors.
- Working capital deficit: Current liabilities exceeding current assets, often a key junior-miner liquidity warning signal.

Developments since last annual report (timeline)

KEY POINTS

-  Mont Royal's post-merger reset culminated in ASX reinstatement, restoring market access and reducing the liquidity discount attached to the suspended stock.
-  Technical de-risking continued through flotation optimisation, the Port of Saguenay cooperation framework, and conditional CMIF road funding, all aimed at lowering the Ashram funding bridge and execution risk.
-  Management also advanced the Ashram growth case by revisiting the BD-Zone as a potential resource-growth domain, with metallurgy the key gating item before future resource inclusion.
-  The company still remains pre-cash-flow and milestone dependent, with financing terms and project studies still carrying the main dilution and schedule risk.
-  Across the period, the equity story shifted from a suspended recapitalisation to a financeable development pathway, but the market still has to underwrite study delivery and capex discipline.

Developments since last annual report

26 February 2026

Mont Royal received an extension of conditional approval under Canada's Critical Minerals Infrastructure Fund for up to C\$2,606,977 to progress revised road-access studies for Ashram. The funding is still conditional on due diligence and a formal agreement, but it materially improves the visibility of the infrastructure workstream and supports the company's road/rail/port development path.

The key change for the equity story is not immediate capital in hand, but a lower-risk funding bridge for an enabling asset. That should matter for valuation because road access is one of the major capex and schedule variables in the Ashram development case.

16 February 2026

Mont Royal's internal review of the BD-Zone concluded that the domain is more extensive and continuous than previously interpreted, particularly to the east and at depth, and remains open down plunge. The company flagged

coarse REE-fluorocarbonate mineralisation and relatively strong NdPr and TbDy distributions, but also noted that the zone remains outside the current mineral resource and requires scoping metallurgical test work.

This is incremental rather than transformative: the BD-Zone is still a conditional growth option, not a resource upgrade. The market is likely to underweight the leverage here if metallurgy confirms conventional processing behaviour, because the upside would flow into tonnage, strip ratio and future study economics.

26 January 2026

Mont Royal signed a non-binding MOU with the Port of Saguenay to evaluate siting a hydrometallurgical facility in the port industrial zone and to cooperate on logistics for rare earth concentrates. The agreement does not commit capex, but it formalises a downstream siting option with year-round port, rail and utilities access.

The significance is strategic rather than immediate: the company is testing whether a port-based hydromet circuit can reduce technical risk and upfront spend versus a fully site-based flowsheet. That directly links back to the value path in see Investment Thesis & Outlook, where processing scope and logistics remain central to the re-rate trigger.

30 November 2025

Auralia Metallurgy began flotation test work optimisation on Ashram using a ~700 kg bulk sample, building on prior locked-cycle results of 35.8–36.8% REO concentrate at 65–68% recovery. The program also continued assessment of a fluorspar by-product circuit and additional processing technologies.

This was an important proof-point event because it reinforced that Ashram's process story is still moving from concept to repeatable test work. In valuation terms, the market has tended to discount this type of progress as "just metallurgy"; the issue is whether it converts into a financeable study basis and better project economics.

4–5 November 2025

Mont Royal regained quotation on the ASX after re-compliance with Listing Rules Chapters 1 and 2. That followed the merger process and completed the corporate reset from suspended shell to quoted development vehicle.

This is the most material market-structure change in the period. Restored trading access reduces the developer discount, improves liquidity for follow-on funding, and gives the market a cleaner platform to price project milestones as they land.

21 October–31 October 2025

Commerce Resources completed its business combination with Mont Royal on 21 October 2025, with subsequent exchange and board changes disclosed shortly after. The transaction documentation then moved through the final exchange-transition steps, including expected delisting and reinstatement mechanics.

The transaction was the corporate pivot that changed Mont Royal from a smaller explorer into a Québec-focused critical minerals developer anchored by Ashram. The equity story now depends less on stand-alone corporate survival and more on whether the merged platform can convert technical milestones into a financeable development decision.

17 September–28 October 2025

Mont Royal lodged a prospectus to raise up to A\$10 million and set out the timetable for re-compliance and reinstatement, with public and broker offers at A\$0.20 per post-consolidation share. The raise was explicitly tied to Ashram studies, environmental work and Northern Lights holding costs.

This was the key funding bridge event. It improved near-term liquidity, but it also confirmed that the company still needs repeated capital to progress studies; the main market question is whether milestone conversion can keep lowering dilution risk faster than spend consumes cash.

1 June 2025 and 2–5 June 2025

Nicholas Holthouse was appointed CEO of Commerce, then later moved into the combined Mont Royal structure after completion of the merger. At roughly the same time, Mont Royal and Commerce secured voting and support agreements that helped de-risk shareholder approval of the arrangement.

This was a management upgrade focused on execution, not exploration upside. The market implication is a better-aligned team for study delivery, financing and downstream discussions, which is particularly relevant in a project where funding certainty is a core valuation swing factor.

9 April–May 2025

Mont Royal and Commerce announced the arrangement at 2.3271 Mont Royal shares per Commerce share, supported by an up to A\$10 million equity raise and C\$2.2 million secured convertible notes for interim funding. The notes added short-term liquidity, but also created a dilution pathway tied to transaction timing.

This was the decisive financing and transaction reset. It improved the funding bridge, but the structure also made clear that value transfer into the equity will depend on closing discipline, study progress and whether capex assumptions stay controlled.

2024 year-end to early 2025

FY2024 and early-2025 disclosures showed the company remained pre-revenue, cash constrained and reliant on equity funding, while Ashram metallurgy and Eldor niobium drilling continued to advance. Those filings set up the later recapitalisation and merger as the response to a classic developer problem: promising assets, but a weak standalone funding profile.

In that context, the 2025–26 events are best read as a staged de-risking sequence rather than a single re-rate. The investment picture improved through better market access, clearer leadership and more credible infrastructure planning, but the thesis still hinges on study conversion, permitting progress and disciplined capital use.

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