MONT ROYAL RESOURCES LIMITED

ASX: MRZ

ASX ANNOUNCEMENT – 10 April 2025

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# MONT ROYAL TO MERGE WITH COMMERCE RESOURCES

## CREATING A NEW ASX/TSXV-LISTED CANADIAN-FOCUSED CRITICAL METALS DEVELOPMENT COMPANY

**HIGHLIGHTS**

The Mineral Resource estimates relating to Commerce Resources Corp. ("Commerce") contained in this announcement have been prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and have not been reported in accordance with the 2012 Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Refer to Commerce's website at www.commerceresources.com or under Commerce's profile on SEDAR+ at www.sedarplus.com for information in relation to the Mineral Resource estimates prepared by Commerce. **A Competent Person has not done sufficient work to classify the Mineral Resource estimates as mineral resources in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the estimates will be able to be reported as a Mineral Resource in accordance with the JORC Code**. Please refer to further disclosure required by the ASX Listing Rules, in particular foreign estimate disclosure under ASX Listing Rule 5.12 and a more detailed Mineral Resource table for the Ashram Rare Earth Element and Flourspar Deposit at the conclusion of this announcement.

- **ASX-listed Mont Royal Resources Limited ("Mont Royal") (ASX: MRZ) and TSXV-listed Commerce Resources Corp. ("Commerce") (TSXV: CCE; OTCQX: CMRZF; FSE: D7H0) have agreed to merge by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) the "Plan of Arrangement"), pursuant to which Mont Royal will acquire 100% of the issued and outstanding common shares of Commerce (the "Transaction").**
- **The Transaction will create a Canadian-focused critical metals company with core assets located in the Province of Quebec: Commerce's 100%-owned Eldor Property which hosts the Ashram Rare Earth and Fluorspar Deposit as well as highly prospective niobium assets – namely the Mallard an Miranna Prospects – adding a robust project portfolio complemented by Mont Royal's Northern Lights lithium, copper and gold exploration projects.**
- **The flagship Ashram Project is the largest monazite-dominant carbonatite-hosted Rare Earth Element ("REE") deposit in North America. Ashram hosts an Indicated Resource of 73.2Mt at 1.89% rare earth oxide ("REO") and 6.6% $CaF_2$ (fluorspar) and an Inferred Resource of 131.1Mt at 1.91% REO and 4.0% $CaF_2$[1] at a cut off NMR of $287.[2] Mineral resources are not mineral reserves as they have not demonstrated economic viability.**
- **The Eldor Property's niobium assets, located immediately adjacent south-east of the Ashram Deposit, represent a compelling advanced exploration opportunity.**
- **The Transaction is conditional upon, amongst other things, Mont Royal raising a minimum of A$8.0 million up to A$10.0 million through the issue of ordinary fully paid shares (before costs) ("Capital Raising") pursuant to a Prospectus, to fund resource growth and advance the Preliminary Economic**

[1] Refer to the technical report titled "Mineral Resource Estimate for the Ashram Rare Earth Element and Fluorspar Deposit, Nunavik, Québec, Canada" with an effective date of 4 April 2024 which was prepared in accordance with NI43-101 and is available on Commerce's profile on SEDAR+ at www.sedarplus.ca. Refer to the Commerce - Foreign Estimate Disclosures in Appendix A of this announcement. Refer to the cautionary statement on Page 1 of this announcement.[2] Refer to Footnote 1 above.[3] Refer to footnote 5 for a summary of Mont Royal VSA support.

[2] Refer to Footnote 1 above.[3] Refer to footnote 5 for a summary of Mont Royal VSA support.

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**Assessment ("PEA") at the Ashram Project, while also advancing the niobium assets and the exploration pipeline at the Northern Lights Project.**

- **Upon completion of the Transaction (excluding any capital raising), Mont Royal shareholders will own 14.7% of the Merged Group and former Commerce shareholders will own 85.3%.**
- **The Transaction is also conditional upon approval of the Supreme Court of British Columbia, shareholder approval from both Mont Royal and Commerce shareholders, completion of the Capital Raising and Plan of Arrangement.**
- **The Transaction has been unanimously recommended by the Board of Directors of Mont Royal and by Commerce following unanimous recommendation by Commerce's special committee of independent directors. The Directors of Mont Royal holding 6.6% of Mont Royal Shares intend to vote all MRZ Shares held or controlled by them in favour of the Transaction.**
- **A number of Commerce's major shareholders, directors and senior officers, representing 21.8% of Commerce Shares have entered into voting support agreements ("VSAs") with Mont Royal to vote in favour of the Transaction at the Commerce shareholder meeting. A number of Mont Royal major shareholders, representing 18.5% of Mont Royal Shares, have also entered into VSA's to vote in favour of the Transaction at the MRZ shareholder meeting.[3]**
- **The Transaction is targeted to close in late July 2025.**

**Mont Royal's Executive Director, Peter Ruse, said:** *"This transaction is a great opportunity to create value for both groups of shareholders. Combining the proven exploration and management skills of the Commerce and Mont Royal teams with the large resource at Ashram and the immense upside the Mallard and Miranna niobium prospects will have the potential to unlock substantial value. The merged entity will be well placed to advance the development plan of the Ashram Project, combined with an active exploration program of the niobium assets and Northern Lights Project."*

*"The merged entity will have a larger balance sheet and a Quebec-based management and technical team with extensive experience in building large resource projects with the local connections and experience to assist in advancing our Northern Lights Projects."*

**Commerce's Executive Director, Jeremy Robinson, said:** *"The team at Commerce is excited at the thought of working with the Mont Royal team to create a new Canadian-focused critical metals company and to maximise the value of our outstanding flagship asset at Ashram. This merger will provide a dual listing on the ASX and TSXV, significant funding, additional expertise and the strategy to generate superior shareholder returns through completion of the studies at Ashram Project plus additional exciting upside at the Mallard and Miranna niobium prospects, as well as the Northern Lights Project."*

**BACKGROUND & STRATEGIC RATIONALE**

Mont Royal Resources Ltd (ASX: MRZ) is pleased to announce that is has entered into a definitive arrangement agreement ("Agreement"), pursuant to which Mont Royal will acquire 100% of the issued and outstanding shares of Commerce Resources Corp. ("Commerce Shares") by way of a Plan of Arrangement under the *Business Corporations Act* Business Columbia ("BCBCA").

The Transaction between Mont Royal and Commerce creates an ASX and TSX-V listed, Québec-focused, critical minerals developer and exploration company with a strong focus on rare earths, fluorspar, niobium and lithium exploration ("Merged Group").

[3] Refer to footnote 5 for a summary of Mont Royal VSA support.

**Highlights of the Merged Group include:**

- The flagship 100% owned Ashram Project ("Ashram") is the largest undeveloped monazite-mineralised carbonatite-hosted Rare Earth Elements ("REE") deposit in North America.
- Ashram has been extensively drilled, on 22 May 2024, Commerce provided an updated Mineral Resource Estimate ("MRE") that detailed:
  - **Indicated Resource**: 73.2Mt at 1.89% REO and 6.6% $CaF_2$; and
  - **Inferred Resource**: 131.1Mt at 1.91% REO and 4.0% $CaF_2$.
- The adjacent and highly prospective Mallard an Miranna niobium prospects, also within the Eldor Property, provides the opportunity to define a second high-value project that could leverage the infrastructure of Ashram.
- A complementary exploration asset package at Mont Royal's Northern Lights Project, covering an area of 536$km^2$ in the Upper Eastmain Greenstone Belt, offering lithium, copper, and gold potential.
- Achieving a dual listing on the ASX and TSXV aims to attract a broader range of investors for the Merged Group, increase liquidity and greater ability to raise capital.
- The ASX has a greater number of listed developing rare earth companies, providing a stronger group of peer companies to benchmark the Ashram Project.
- Having access to the combined experience of key members of the Commerce and Mont Royal Boards, senior management and major shareholders, who have held former and current roles with successful international resource groups including:
  - Champion Iron Limited (CIA.ASX CIA.TSX)
  - Green Technology Metals (GT1.ASX)
  - Primero Group Limited (acquired by NRW Holdings Limited)
  - Riversdale Resources Limited (acquired by Hancock Prospecting Pty Ltd)
  - Bannerman Energy Limited (BMN.ASX)
- At completion of the Transaction, the Merged Group proposes to appoint an in-country CEO and Managing Director and a technical team capable of advancing the Eldor Property's Ashram Project and niobium assets, and the Northern Lights Project.

## COMMERCE RESOURCES CORP

Commerce, listed on the TSXV, is a junior mineral resource company focused on the exploration and development of the Ashram Rare Earth and Fluorspar Deposit located in Quebec, Canada. Commerce is positioning to be one of the lowest cost rare earth producers globally, with a specific focus on being a long-term supplier of mixed rare earth carbonate and/or NdPr oxide to the global market. Additionally, the Ashram Deposit has a fluorspar component which makes it one of the largest potential sources of fluorspar in the world and could be a long-term supplier to the met-spar and acid-spar markets.

## ASHRAM RARE EARTHS AND FLUORSPAR PROJECT

The Ashram Project is located on Commerce's 100% owned Eldor Property, in north-eastern Quebec, Canada, approximately 130 km south of the community of Kuujjuaq (Figure 1).

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**Figure 1: Ashram REE & Fluorspar Project Location**

The Ashram Deposit was first drilled in 2010, with the 'discovery hole' released in August 2010. The program's first hole, EC10-027 was collared in mineralization and included over 215 m at 1.72% REO, and over 29 m of 2.07% REO.

Since discovery in 2010 Commerce has undertaken multiple drill programs totalling almost 35,000m of drilling and multiple rounds of metallurgical testing resulting in both an updated Mineral Resource Estimate ("MRE") and breakthrough metallurgical results both published in 2024. Commerce provided an updated MRE for Ashram (published on 22 May 2024) firmly establishing Ashram as a globally significant rare earth element ("REE") deposit, and one of the largest monazite-mineralized carbonatite REE deposits in the world: 73.2Mt at 1.89% REO and 6.6% $CaF_2$ (Indicated), and 131.1Mt at 1.91% REO and 4.0% $CaF_2$ (Inferred), at a cut-off of $287 Net Metal Return (NMR) per tonne.

On 14 November 2024, Commerce published the results of locked cycle testing that showed that a mineral concentrate in the range of 36% to 37% can be produced with recoveries ranging from 65% to 68% which is more than comparable rare earth projects in production globally.

Ashram also continues to demonstrate very high NdPr distributions (i.e., percent of neodymium plus praseodymium oxide of the total REO) at 21.2% NdPr (Indicated) and 21.4% NdPr (Inferred), exceeding that of several active global producers. The favourable distribution starts at surface, allowing these high-value elements to be targeted early on in a potential open-pit extraction scenario and, therefore, enhancing the project's strategic value and operational efficiency. This enrichment in the magnet feed REE's also extends to dysprosium (Dy) and terbium (Tb).

The MRE update underscores Ashram's potential as a long-term, sustainable source of critical minerals, vital for the evolving technology and energy sectors. With the well-defined MRE and metallurgy well understood, Commerce's focus now is updating the January 2015 PEA and assessing the optimum infrastructure and downstream processing solutions.

Given the size and scale of Ashram, Commerce has received strong Canadian Government support through grants and funding and Commerce has commenced discussions with a number of downstream producers in both Canada and the United States given the strategic location of the project.

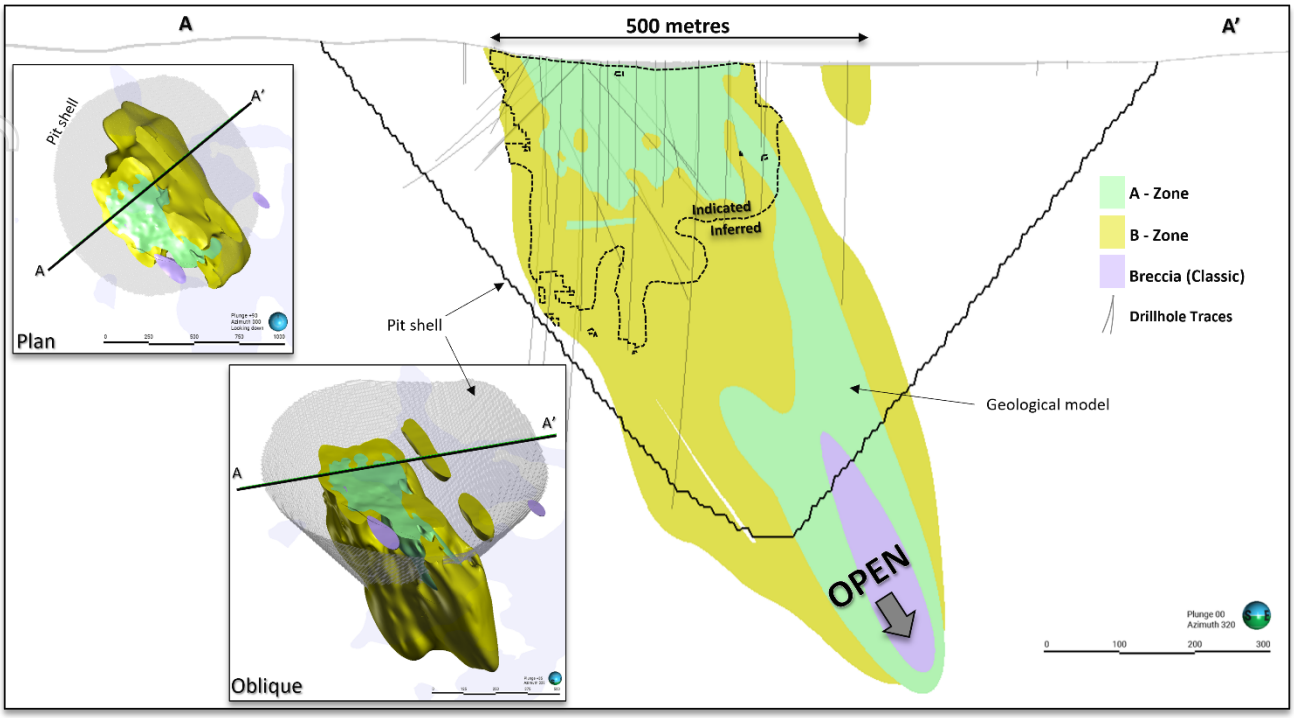



**Figure 2: Pit shell and mineralized footprint of Ashram's 2024 Mineral Resource Estimate in cross-sectional and oblique view, highlighting the deposit's scale. Cross-section represents a 100 metre-thick slice through geological model.**

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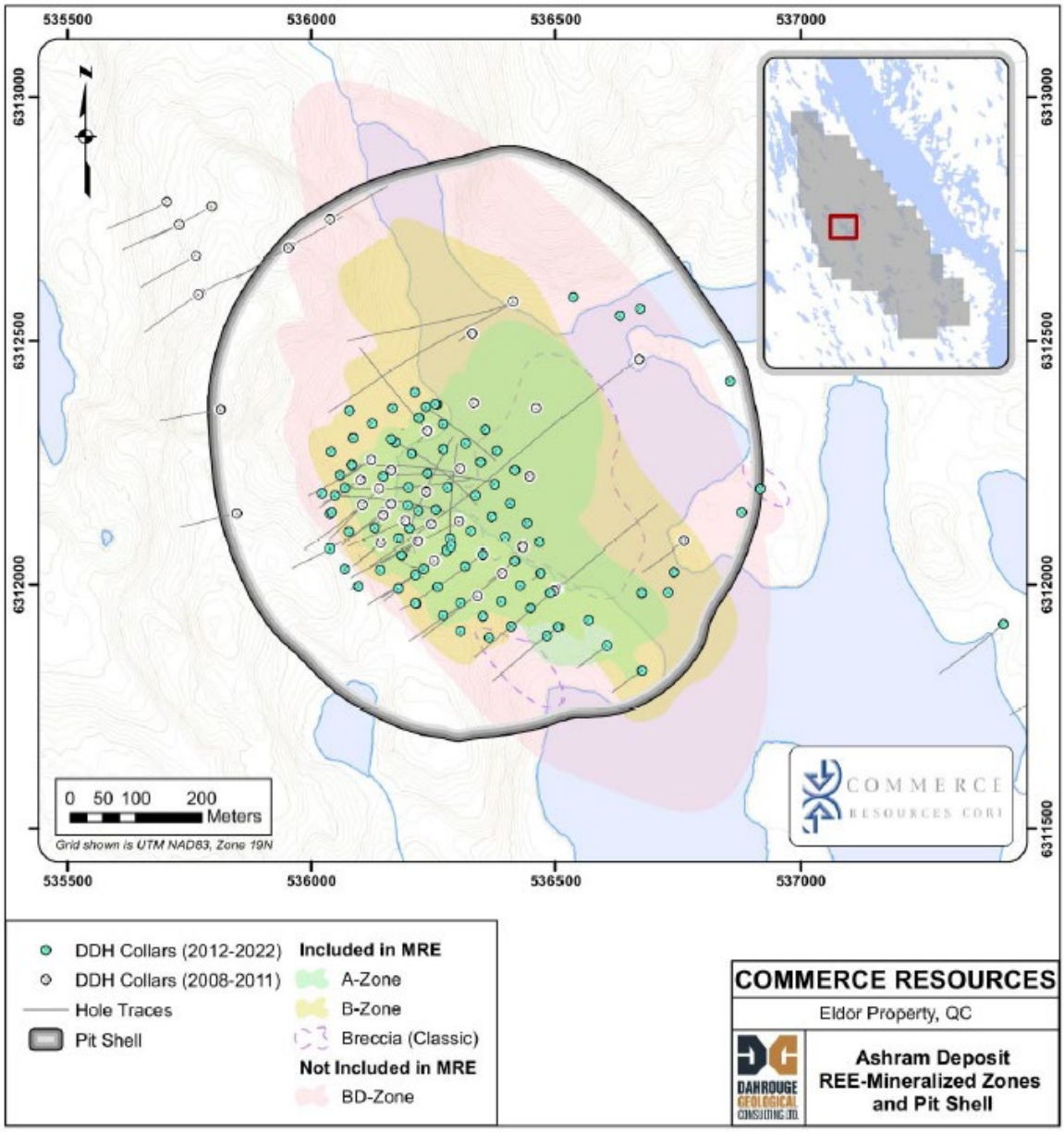



**Figure 3: Plan view of drilling undertaken at the Ashram Project.**

**MONT ROYAL CRITICAL MINERAL ASSETS**

**NORTHERN LIGHTS PROJECTS**

This suite of projects are owned 75% by Mont Royal. The project package includes a 536 km$^2$ tenement package located in the Upper Eastmain Greenstone belt. The projects are located in the James Bay region, a Tier-1 mining jurisdiction of Quebec, Canada, and are prospective for lithium, precious (gold, silver) and base metal mineralisation (copper, nickel). The Northern Lights projects include:

- Bohier Project (Lithium); and
- Eastmain Lèran Project (Lithium, Copper and Gold).

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**Bohier Project**

A lithium fieldwork and prospecting program was completed in June 2023, with initial trenching programs and a maiden drill program completed in the Summer/Fall season of 2024. Assay results were received in November 2024 from the 2024 summer/fall drilling program, which comprised eight (8) holes for 744 metres.

Significant lithium mineralisation was intersected in several holes, including:

- 21.0 m at 1.39% Li2O in hole BOH-24-07;
- 7.7 m at 1.90% Li2O in hole BOH-24-06; and
- 1.2 m at 2.79% Li2O in hole BOH-24-02.

The mineralisation is interpreted to be continuous over a length of 200 m and to a depth of 70 m and remains open in all directions. Several targets remain untested.

**Eastmain Lèran Project**

The north edge of the Eastmain-Léran Project (Figure 5) is also a favourable lithium target due to the proximity of the Wahemen granite, which has the chemistry and mineralogy of a LCT pegmatite parental granite (Talla Takam and Beauchamp, 2016). Lithium occurrences have been identified within the historical Government database of spodumene-bearing boulders in the north-east corner of the property.

The target area (highlighted in red) is the main focus of the previous prospecting program.

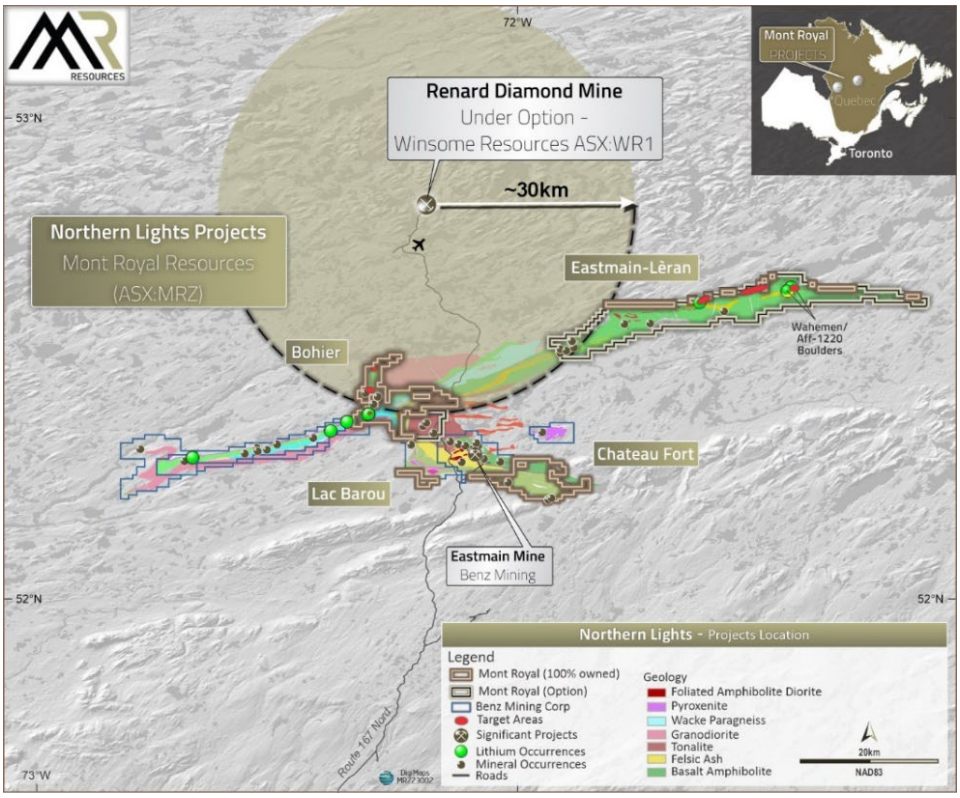



**Figure 4: Location of the Northern Lights Projects.**

Eastmain Lèran also hosts the Alta-Eastmain Target, discovered in 1957, which is interpreted as a volcanogenic massive sulphide (VMS) occurrence. Average copper (Cu) grades from grab samples is 1.35% Cu (n = 8) and the best reported channel sample yielded a grade of 1.26% Cu over 7.6 m. The massive sulphide holds secondary amounts of Ag (5.4 g/t), Ni (0.09%), Co (0.12%), and Au (0.3g/t).

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**TRANSACTION DETAILS**

Mont Royal has entered into an Agreement to acquire 100% of the issued and outstanding Commerce Shares on the basis of 2.3271 ("Exchange Ratio") new fully-paid ordinary shares in Mont Royal ("Mont Royal Share" or "Consideration Shares") for every 1 Commerce Share. On the completion of the Transaction, Mont Royal shareholders will own 14.70% of the Merged Group and former Commerce shareholders will own 85.30% (excluding any Capital Raising and conversion of the Commerce Convertible Notes). The Transaction values Commerce at approximately A$21.7 million[4] based on Mont Royal's 30-Day VWAP of $0.0439 prior to suspension of trading in it shares on 17 February 2025.

The Transaction will amount to a significant change to the nature and scale of the Mont Royal's activities and as such, Mont Royal will be required to obtain shareholder approval under ASX Listing Rule 11.1.2 at a general meeting and re-comply with Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. As part of this process and subject to shareholder approval, the Mont Royal intends to consolidate the current shares on issue on a 0.2195 for 1 basis ("Consolidation Ratio") with all options adjusted in accordance with Listing Rule 7.22 ("Consolidation").

Subject to the satisfaction (or waiver) of all conditions to closing set out in the Agreement, it is anticipated that the Transaction will be completed in late July 2025. Mont Royal will also apply to list on the TSX-V in connection with the Transaction. Following completion of the Transaction, subject to receipt of required regulatory approvals, the Commerce Shares will be delisted from the TSX-V. The existing Commerce warrants and options on issue will be cancelled in exchange for equivalent options (adjusted for the Exchange Ratio and Consolidation Ratio) in Mont Royal ("Consideration Options"). The Consideration Shares and Consideration Options are together referred to as the "Consideration Securities".

Completion of the Transaction is subject to customary conditions precedent for a transaction of this nature, including:

- (**Court Orders**) the Supreme Court of British Columbia granting interim and final orders on terms consistent with the Agreement;
- (**Commerce shareholder approval**) Commerce shareholders approving the Transaction by way of at least 66 2/3% of the votes cast on the resolution approving the Transaction by the shareholders of Commerce voting as a single class holding Commerce Shares on the record date;
- (**Commerce TSX-V approval**) Commerce having obtained all necessary TSX-V approvals in connection with the Transaction;
- (**Mont Royal shareholder approval**) Mont Royal shareholders having approved the Transaction (including the Capital Raising and Consolidation), including for the purposes of ASX Listing Rule 11.1.2;
- (**ASX approval**) ASX confirming that it will reinstate Mont Royal shares to official quotation on ASX, subject to the satisfaction of such terms and conditions as are prescribed by ASX;
- (**Mont Royal TSX-V approval**) Mont Royal having obtained all necessary TSX-V approvals in connection with Mont Royal's proposed listing on TSX-V;
- (**Completion of Capital Raising and Consolidation**) Mont Royal having completed the Capital Raising and Consolidation; and
- (**Key Regulatory Approvals and Third Party Consents**) Receipt of any other regulatory approvals or third party consents which have not already been referred to in this announcement.

In addition to the above, the Transaction is subject to certain other closing conditions customary for a transaction of this nature, including, among others no material breaches of the representations, warranties and covenants of the parties, no material adverse effect being suffered by the parties and no more than 5% of Commerce shareholders having exercised dissent rights provided for under the BCBCA.

[4] At an AUD/CAD exchange rate of 0.91/1.

The Agreement also includes customary deal protections, including fiduciary-out provisions, non-solicitation covenants, and a right for Mont Royal to match any superior proposals. The Agreement provides for a mutual reciprocal termination fee of A$250,000.

The Agreement may be terminated in certain circumstances including (but not limited to) by either party if the requisite shareholder approvals are not obtained, if the Transaction is not completed by 28 November 2025 (unless extended by the parties), if a party breaches its representations and warranties or fails to perform any covenants, there has occurred a material adverse effect to the other party that is not capable of being cured by the earlier of the outside date and 10 business days from the notice of such event, or if Commerce enters into a superior proposal.

Full details of the Transaction will be included in a management information circular of Commerce ("Commerce Circular"). The Agreement and Commerce Circular will be available to access via SEDAR+ at www.sedarplus.ca under Commerce's profile.

**COMMERCE INTERIM FUNDING**

Commerce has received firm bids to enter into a secured convertible note agreement ("Convertible Notes") with a number of existing Commerce and Mont Royal shareholders and other sophisticated investors to raise up to C$2.2 million ("Convertible Notes Financing") to provide interim funding to be used for the continuation of studies for the development of the Ashram Project and for working capital while the Transaction is completed. A summary of the key terms of the Convertible Notes Financing are set out below:

- Automatically converts on completion of the Transaction at the implied Mont Royal Capital Raising price and converted into Consideration Shares, provided that, the automatic conversion price is equal to or greater than C$0.06, being Commerce's closing share price on 8 April 2025.
- Interest Rate 20% per annum and upon automatic conversion, 12 months accrued interest will be converted into Mont Royal Shares at completion of the Transaction.
- If the Transaction doesn't proceed, the Convertible Note has a 24-month term, C$0.12 optional conversion price and an interest rate of 20% per annum paid at maturity.
- The Convertible Notes will be secured under a general security agreement, whilst ranking pari-passu as between themselves and all holders will enter into an interlender agreement, subject to release at completion of the Transaction.

It is anticipated the Convertible Note Financing will complete by 16 April 2025 and is subject to the approval of TSXV.

**MONT ROYAL CAPITAL RAISING**

Mont Royal intends to raise a minimum of A$8.0 million and up to A$10.0 million (before costs) to enable the Merged Group to advance its projects and assist it to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Capital Raising is not proposed to be underwritten and will be conducted at a minimum capital raising price of A$0.20 per MRZ share via a Prospectus which will contain further details on the amount to be raised and other matters. The Capital Raising is subject to Mont Royal shareholder approval.

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Existing cash and proceeds of the Capital Raising are intended to be applied as follows:

| Use of funds | Minimum Subscription | | Maximum Subscription | |
|---|---|---|---|---|
| | A$ | % | A$ | % |
| **Year 1** | | | | |
| Costs of the offer | 1,000,000 | 7.9% | 1,200,000 | 8.3% |
| Niobium drilling | 3,000,000 | 23.6% | 4,500,000 | 31.0% |
| Ashram Project PEA | 2,400,000 | 18.9% | 2,400,000 | 16.5% |
| Ashram metallurgical studies | 500,000 | 3.9% | 500,000 | 3.4% |
| Camp upgrade | 1,000,000 | 7.9% | 1,000,000 | 6.9% |
| Northern Lights Exploration Drilling | 500,000 | 3.9% | 750,000 | 5.2% |
| General administration and Working capital | 4,325,896 | 34.0% | 4,156,115 | 29.7% |
| **Total** | **12,725,896** | **100.0%** | **14,506,115** | **100.0%** |

Working capital includes corporate and administrative costs. Mont Royal's total funds on completion of the Capital Raising, assuming a minimum of A$8.0 million and up to A$10.0 million is raised and including additional funds available:

| Available Funding | Minimum Raise | | Maximum Raise | |
|---|---|---|---|---|
| | (A$) | (%) | (A$) | (%) |
| Existing cash – Mont Royal[1] | 1,751,955 | 13.8% | 1,751,955 | 11.9% |
| Existing cash – Commerce[2] | 556,358 | 4.4% | 556,358 | 3.8% |
| Convertible Note Financing | 2,417,582 | 19.0% | 2,417,582 | 16.4% |
| Funds raised from the Capital Raising | 8,000,000 | 62.9% | 10,000,000 | 67.9% |
| **TOTAL** | **12,725,896** | **100.0%** | **14,725,896** | **100.0%** |

**Notes:**

1. Mont Royal cash as at 31 December 2024 as per reviewed half-yearly financial statements.
2. Commerce's existing cash at 31 October 2024 was A$2,732,621 per audited financial statements assuming AUD/CAD = A$0.91. From 31 October 2024 to 31 January 2025, which was the date of Commerce's first quarter unaudited financial results released to the market, Commerce has continued to incur expenses relating to the Ashram Project and general and administration costs which resulted in the cash balance reducing by $2,176,262 to $556,358.

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**BOARD OF DIRECTORS AND MANAGEMENT – MERGED GROUP**

At completion of the Transaction, it is presently anticipated that the board of the Merged Group will be comprised a new non-executive Chairman in Mr Cameron Henry, appointed by Commerce, two directors from Commerce being Mr Jeremy Robinson and Mr Adam Ritchie, and one Non-Executive Director from Mont Royal, to be Mr Ronnie Beevor. The biographies of the proposed new board members are set out below:

- *Cameron Henry – Proposed Non-Executive Chairman*

  Mr Henry boasts over 20 years' experience in managing and operating public companies within the mining industry spanning across a diverse array of commodities encompassing engagements in Australia, Indonesia, North America, and South America. Mr. Henry's most significant role was serving as the founding Managing Director of Primero Group Limited, where his leadership propelled the company into becoming an industry leader in engineering and construction. Under his guidance, Primero Group Limited expanded its global presence and earned recognition as a top builder of lithium processing facilities worldwide.

  Mr Henry's wealth of experience and accomplishments in the mining industry become invaluable assets for the company's success. His proven expertise in managing public companies and his specific achievements in lithium processing make him a key contributor to the company's strategic goals and endeavours.

  Mr Henry is currently Managing Director of ASX listed GT1, and Non-Executive Director of Rare Earths development company RareX Limited (ASX:REE).

  Previously held non-executive roles with ASX-listed resource company Titan Minerals Limited (ASX:TTM)

- *Jeremy Robinson – Proposed Non-Executive Director*

  Mr Robinson is Commerce's interim President and CEO having been a Non-Executive Director of Commerce since 2013. Mr Robinson will resume his position as Non-Executive Director upon the appointment of a new Merged Group CEO.

  Mr Robinson is an experienced resources executive with 20 years of experience in the industry ranging from Business Development to Managing Director positions, specifically focusing on critical minerals including rare earths.

  Mr Robinson is currently Non-Executive Director at RareX Limited (ASX:REE), Cosmos Exploration Limited (ASX:C1X,Kincora Copper Limited (ASX:KCC), Brazilian Critical Minerals Limited (ASX:BCM) and Ardiden Limited (ASX:ADV).

- *Adam Ritchie – Proposed Non-Executive Director*

  Mr Ritchie has over 20 years' experience in the resources industry and has been heavily focused on project delivery in senior positions for many of Australia's best performing companies in the mining and minerals sector including Pilbara Minerals, FMG, Rio Tinto and BHP.

  Mr Ritchie is known for delivering complex projects with a particular focus on high-value mineral processing assets and is recognised for his contributions to major Australian Lithium and Iron Ore projects, delivering across all project stages.

  Mr Ritchie is the Managing Director of Loyal Lithium (ASX:LLI) an ASX listed North American focused battery minerals company with hard rock lithium assets in Quebec, Canada.

In addition, it is expected that a new CEO and President will be on or around the completion of the Transaction to replace interim Commerce CEO and President, Jeremy Robinson who will transition to a non-executive Director of the Merged Group.

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**BOARD OF DIRECTORS' RECOMMENDATION**

The Transaction is unanimously recommended by the board of directors of both Mont Royal and by Commerce following unanimous recommendation by Commerce's special committee of independent directors.

The board of directors of Commerce has received an opinion from Evans & Evans that based upon and subject to the assumptions, limitations, and qualifications stated, the Offer Consideration to be received by Commerce shareholders pursuant to the Transaction is fair, from a financial perspective to Commerce shareholders. Full details of the Transaction, including the opinion from Evans & Evans will be part of Commerce Circular.

The Directors of Mont Royal holding 6.6% of Mont Royal Shares intend to vote all Mont Royal Shares held or controlled by them in favour of the Transaction. A number of Mont Royal major shareholders, representing 18.5% of Mont Royal Shares, have also entered into VSA's to vote in favour of the Transaction at the MRZ shareholder meeting.[5]

Commerce's major shareholders, directors and senior officers of Commerce, representing, in the aggregate, approximately 21.8% of Commerce Shares, have entered into voting support agreements with Mont Royal, pursuant to which each of them has agreed to, among other things, vote in favour of the Transaction at the Commerce Meeting.

**INDICATIVE TIMETABLE AND NEXT STEPS**

Mont Royal and Commerce shareholders do not need to take any actions in relation to the Transaction at this stage.

The indicative timetable for the Transaction is as follows:

| Event | Date |
|---|---|
| Dispatch Mont Royal Notice of Meeting | Late May 2025 |
| Lodge Mont Royal Prospectus with ASIC and ASX | Late May 2025 |
| Prospectus offer opens | Early June 2025 |
| Mont Royal Meeting Proxy Cut-Off<br>Record Date for Mont Royal Meeting | Early June 2025 |
| Prospectus offer closes | Mid July 2025 |
| Mont Royal shareholder meeting and effective date of Consolidation | Mid July 2025 |
| Settlement date of offer | Late July 2025 |
| Completion of the Transaction | Late July 2025 |
| Despatch of holding statements for Mont Royal shares | Late July 2025 |
| Expected date for Mont Royal shares to be reinstated to trading on ASX | Late July 2025 |

*All dates are indicative only and subject to change, necessary approvals and court availability.*

[5] Mont Royal Shares owned or controlled by Vision Pty Ltd (6,710,000, (7.89%); Metech Super Pty Ltd (2,000,000 (2.35%); Bass Family Foundation Pty Ltd (1,300,000 (1.52%), Blue Atlas Pty Ltd (1,093,750, 1.28)%) and Quartz Mountain Mining Pty Ltd (1,000,000. 1.17%)) and SML Contracting Pty Ltd (3,673,059, 4.31%). % interests are based on the undiluted share capital of Mont Royal at the date of this announcement of 85,029,793 Mont Royal Shares.

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**ADVISERS**

Yelverton Capital Pty Ltd ("Yelverton Capital") is acting as Corporate Adviser to Mont Royal in relation to the Transaction. Wallabi Group Pty Ltd ("Wallabi Group') is acting as Corporate Adviser to Commerce in relation to the Transaction.

Mont Royal has engaged Corrs Chambers Westgarth as Australian legal adviser to the Transaction and Capital Raising and Farris LLP as Canadian legal advisor in relation to the Transaction. Commerce has engaged Hamilton Locke Pty Ltd as Australian legal adviser and Osler, Hoskin & Harcourt LLP Canadian legal adviser in relation to the Transaction and Convertible Note Financing.

**GUIDANCE NOTE 12 – ANNEXURE A DISCLOSURE**

Mont Royal provides the following disclosure in accordance with ASX Guidance Note 12 - Annexure A, to the extent that the information has not been provided elsewhere in this announcement.

***1. Financial information***

Financial statements of Commerce will be provided within the notice of meeting to Shareholders for the approval of the Transaction.

An indicative pro forma statement of financial position of the combined company, as at 31 December 2024, based on the publicly disclosed reviewed accounts of Mont Royal as at 31 December 2024 and audited accounts of Commerce as at 31 October 2024, are set out in Appendix D.

Commerce's audited financial accounts are accessible through the following link: https://commerceresources.com/financial-reports/

***2. Pro forma capital structure***

i. *Effect* of Consolidation

The approximate effect which the Consolidation will have on Mont Royal's current capital structure is set out in the tables below. All numbers are subject to rounding.

***Mont Royal Shares***

| | Pre-Consolidation | Post-Consolidation |
|---|---|---|
| Mont Royal shares currently on issue | 85,029,793 | 18,664,040 |

***Mont Royal Existing Options***

| Expiry date | Pre-Consolidation | | Post-Consolidation | |
|---|---|---|---|---|
| | Number | Exercise Price (A$) | Number | Exercise Price (A$) |
| 25 March 2026 | 1,500,000 | 0.30 | 329,250 | 1.37 |
| 10 November 2026 | 3,000,000 | 0.35 | 658,500 | 1.59 |

*ii. Indicative capital structure*

The indicative capital structure of Mont Royal on completing the Transaction is set out below.

| | Minimum Subscription | Maximum Subscription |
|---|---|---|

| | Shares | Options | Shares | Options |
|---|---|---|---|---|
| Current Mont Royal securities on issue[1] | 18,664,040 | 987,750 | 18,664,040 | 987,750 |
| Securities issued to Commerce security holders in consideration for their securities under the Transaction[2] | 108,302,216 | 84,720,690 | 108,302,216 | 84,720,690 |
| Securities issued under the Capital Raising[3] | 40,000,000 | Nil | 50,000,000 | Nil |
| Securities issued upon conversion of Convertible Notes[4] | 14,505,495 | Nil | 14,505,495 | Nil |
| **Total securities on completion of Transaction and Capital Raising** | **181,471,750** | **85,708,440** | **191,471,750** | **85,708,440** |

**Notes**:

1. Assumes the completion of the Consolidation at a ratio of 0.2195 new Mont Royal Share for every 1 Mont Royal Shares currently on issue.
2. Mont Royal proposes to issue up to 84,720,690 Consideration Options to the Commerce warrant and options holders. The Consideration Options will be issued at an equivalent exercise prices adjusted to the exchange ratio (2.3271 for 1) and consolidation ratio (0.2195 for 1) and will expire on the same dates as the existing Commerce warrant and options on issue.
3. Mont Royal is seeking to raise a minimum of A$8.0 million and up to A$10 million (before costs), subject to shareholder approval and consolidations required by Listing Rule 7.22.
4. Assumes completion of the Convertible Note Financing and automatic conversion of the Convertible Notes in accordance with their terms.

### 3. *Issues in the previous 6 months*

Mont Royal has not issued any securities in the past 6 months.

Commerce announced on the 18 March 2025 ("Grant Date") the issue of 2,500,000 incentive stock options to certain officers and consultants ("Incentive Options"). The Incentive Options are exercisable for a period of three years from the Grant Date, expiring on 18 March 2028, at an exercise price of C$0.12 per share. As part of the Transaction the Incentive Options will be exchanged into Mont Royal incentive options of equivalent value.

For the purpose of ASX Guidance Note 12, Mont Royal confirms that no issue of securities in the past 6 months was underwritten.

### 4. *No change in control*

No person will acquire control of, or voting power of 20% or more, in Mont Royal as a result of the Transaction.

### 5. *Principal activities and jurisdictions*

*Mont Royal's current activities*

Mont Royal Resources Limited is an Australian based resource exploration company which owns 75% of Northern Lights Minerals Pty Ltd (Northern Lights). Northern Lights owns a 536km2 tenement in the Upper

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Eastmain Greenstone Belt in the emerging James Bay region, a Tier-1 mining jurisdiction of Quebec, Canada. The Northern Lights tenement package is prospective for lithium, precious (Gold, Silver) and base metals mineralisation (Copper, Nickel).

*Commerce's current activities*

Commerce is a junior mineral resource company focused on the exploration and development of the Ashram Rare Earth and Fluorspar Deposit located in Quebec, Canada. Commerce is positioning to be one of the lowest cost rare earth producers globally, with a specific focus on being a long-term supplier of mixed rare earth carbonate and/or NdPr oxide to the global market.

*Merged Group's proposed activities post-completion of Transaction*

The Merged Group's primary focus will be the development of the Ashram Project which will include updating the PEA, consultation with Governments for funding and approvals and optimising infrastructure solutions. The Merged Group will also continue exploration of the Eldor Property's niobium assets and its Northern Lights Project.

## 6. *Merged Group key risk factors*

Shareholders should be aware that if the Transaction proceeds, Mont Royal will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of the key risk factors affecting Mont Royal (being the merged company on completion of the Proposed Transaction) are as follows:

- **Completion risk:** Pursuant to the Agreement, Mont Royal will acquire Commerce. Completion under that agreement is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion cannot be fulfilled and, in turn, completion does not occur. If the Transaction does not complete, Mont Royal will incur costs relating to advisers and other costs without any material benefit being achieved.
- **Re-quotation of shares on ASX:** as the Proposed Transaction constitutes a significant change in the nature and scale or Mont Royal's activities, Mont Royal will need to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX. There is a risk that Mont Royal may not be able to meet the requirements for re-quotation on ASX. Should this occur, Mont Royal shares will likely remain in suspension and not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Mont Royal shares should Mont Royal be suspended until such time as it does re-comply with the ASX Listing Rules.
- **Dilution risk:** Existing Mont Royal shareholders will be diluted as a result of the Transaction. Mont Royal currently has 85,029,793 (18,664,040 on a post-consolidation basis) shares on issue. Under the terms of the Transaction, Mont Royal is proposing to issue:
  - 108,302,216 shares on a post-consolidation basis to Commerce shareholders;
  - 14,505,495 shares on a post-consolidation basis upon conversion of Convertible Notes;
  - 84,720,690 options on a post-consolidation basis to Commerce warrant holders; and
  - Up to 50,000,000 shares on a post-consolidation basis under the Capital Raising.

Following completion of the Transaction and assuming the Capital Raising raises a maximum of A$10 million:

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- existing Mont Royal shareholders will retain 9.7% of Mont Royal's issued share capital (assuming existing shareholders do not acquire shares under the Capital Raising or Convertible Note Financing);
- Commerce shareholders will hold 56.6% of Mont Royal's issued share capital (assuming such shareholders do not acquire shares under the Capital Raising or Convertible Note Financing);
- investors under the Convertible Note Financing will hold 7.6% of Mont Royal's issued share capital upon conversion; and
- investors under the Capital Raising will hold 26.1% of Mont Royal's issued share capital.

- **Sovereign risk:** Mont Royal's assets are located in the states of Quebec and British Columbia, Canada. Mont Royal will be subject to risks of operating in those jurisdictions.
- **Political regulatory risk:** any changes in government policy may result in changes to laws affecting ownership of assets, mining policy, monetary policy, taxation, exchange rates, environmental regulations, labour relations and return of capital. Any such change may affect Mont Royal's ability to undertake exploration and development activity at the projects.
- **Exploration and development:** mineral exploration and development, by its nature, is a speculative and high risk undertaking that may be impeded by circumstances beyond the control of Mont Royal. Mont Royal is subject to customary risks associated with a mining entity, such as volatility of commodity prices and exchange rates, exploration and development costs.
- **Mineral resources estimation risk:** The calculation and interpretation of resource estimates are by their nature expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect Mont Royal's operations.
- **Environment:** Mont Royal is subject to several laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Changes to environmental laws may result in revocation of licences, cessation or reduction of Mont Royal's operations or materially increase exploration, development or production costs. Penalties for failure to adhere to requirements or, in the event of environmental damage, remediation costs can be substantive.
- **Climate change:** Mont Royal is exposed to both transition risks and physical risks associated with climate change. This includes the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy. Mont Royal may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit among an array of possible restraints on industry that may further impact Mont Royal and make it challenging to commercialise any resources it discovers. While Mont Royal will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Mont Royal will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by Mont Royal, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. The transition and physical risks associated with climate change (including also regulatory responses to such

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issues and associated costs) may significantly alter the industry in which Mont Royal operates and its operating and financial performance.

- **Infectious diseases:** Outbreaks of infectious diseases (such as COVID-19) may lead to interruptions in operations, exploration and development activities, inability to source supplies or consumables and higher volatility in the global capital markets, commodity prices or foreign exchange, which may materially and adversely affect Mont Royal's business, financial condition and results of operations. Additionally, such outbreaks can cause travel restrictions and prolonged closures of facilities or other workplaces which may have a material adverse effect on Mont Royal and the global economy more generally. Any material change in Mont Royal's operating conditions, the financial markets or the economy as a result of these events may materially and adversely affect Mont Royal's business, financial condition and results of operations.
- **Operational risk and insurance:** Adverse weather conditions, unforeseen increases in establishment costs, accidents, industrial disputes, technical issues or encountering unusual geological formations or other unforeseen events could increase operational costs and significantly disrupt Mont Royal's operations, possibly restricting Mont Royal's ability to advance its exploration programs. Mont Royal will mitigate this risk by, among other things, taking out appropriate insurance in line with industry practice.
- **Counterparty exposure and joint ventures:** If one of Mont Royal's counterparties or joint venture partners fails to adequately perform contractual obligations, this may result in loss of earnings, termination of particular contracts, disputes and/or litigation, which may adversely affect Mont Royal's financial performance and business operations.
- **Specialised skill and knowledge:** The nature of Mont Royal's business requires specialised skills and knowledge, including in the areas of geology, metallurgical processing, community and governmental relations and environmental compliance. Mont Royal also relies on staff members, local contractors and consultants with specialised knowledge of logistics and operations in the countries in which it operates. In order to attract and retain personnel with the specialised skills and knowledge required for Mont Royal's operations, Mont Royal maintains remuneration and compensation packages it believes to be competitive. Mont Royal and other companies in the mining and resources industry compete for qualified and key personnel, and if Mont Royal is unable to attract and retain qualified personnel or fail to establish adequate succession planning strategies, its financial condition and/or results or operations could be materially adversely affected.
- **Additional capital requirements:** Mont Royal may require additional funds in the future to progress work on its projects and development capital required for the Ashram Project. There is a risk that Mont Royal may not be able to obtain funds on attractive terms or at all.
- **General market risks:** Mont Royal is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity price volatility, government policies, employment rates and industrial disruption.

## *7. Accounts*

*Mont Royal*

Mont Royal's Annual Report for the year ended 30 June 2024 and 30 June 2023 , along with its accounts for its most recent half year ended 31 December 2024, is available on the ASX announcements platform, accessible through the following link: www.asx.com.au/markets/company/mrz.

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*Commerce*

An indicative pro forma statement of financial position of the Merged Group, as at 31 December 2024, based on the publicly available reviewed accounts of Mont Royal as at 31 December 2024 and audited accounts of Commerce as at 31 October 2024 is set out in Appendix D.

Commerce's audited financial accounts are accessible through the following link: https://commerceresources.com/financial-reports/

### 8. *ASX Waivers and Confirmations*

Mont Royal has applied for the ASX waivers and confirmations set out in Appendix E in connection with the Transaction. At the time of this announcement, ASX is yet to formally make a decision on these matters The Agreement recognises ASX may apply certain mandatory escrow periods on certain securities of MRZ.

Under ASX Listing Rule 1.1 condition 1, ASX must be satisfied that Mont Royal has a structure and operations appropriate for a listed entity before it can be re-admitted to the official list. Under ASX Listing Rule 1.19, re-admission to the official list is in ASX's absolute discretion and ASX may refuse re-admission without giving any reasons.

Mont Royal previously submitted an application for in-principle advice on its suitability for re-admission to the official list of the ASX. ASX has identified the requirement for a confirmation that all of the property claims over the Ashram Rare Earth Element and Fluorspar Deposit are in good standing to the satisfaction of ASX (**In-Principle Condition**).

As at the date of this announcement Commerce is in the process of finalising its renewal application for the permits underlying the Ashram Rare Earth Element and Fluorspar Deposit and anticipates satisfying the In-Principle Condition prior to finalisation of the Mont Royal Notice of Meeting and Prospectus. Therefore, Mont Royal is yet to satisfy the In-Principle Condition and should they not be addressed to ASX's satisfaction, the Mont Royal's application for re-admission will be formally considered under ASX's admission discretion in accordance with ASX Listing Rule 1.19. In that event, there is a significant likelihood that Mont Royal will fail to satisfy ASX Listing Rule 1.1 condition 1 and/or that ASX will exercise its discretion under ASX Listing Rule 1.19 to refuse Mont Royal's application for re-admission to the official list of the ASX.

### 9. *Fees paid or payable to facilitators*

Yelverton Capital will receive a cash completion fee equal to 1.75% of the undiluted market capitalisation of Merged Group at successful completion of the Transaction. Wallabi Group will receive a cash completion fee equal to 2% of the prescribed value of Commerce upon the successful completion of the Transaction.[6]

Churchill SIG Pty Ltd, an entity related to existing Commerce director Jeremy Robinson and proposed Merged Group director, Cameron Henry, will be entitled to a 6% cash fee on the Convertible Note Financing and entitled to 2,000,000 warrants with an exercise price of C$0.075 and an expiry date 3 years from the date of issue at completion of the Convertible Note Financing.

Peloton Capital Pty Ltd and Wallabi Group are proposed to be appointed as Joint Lead Managers to the Capital Raising. The Joint Lead Managers will be entitled to a Capital Raising fee of 6% on funds raised by them.

### 10. *Appropriate enquiries*

Mont Royal has undertaken appropriate enquiries into the prospects of exploration and development programs and is satisfied that the Transaction is in the interests of Mont Royal and its security holders. Mont Royal has also undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Commerce for the board of Mont Royal to be satisfied

[6] Approximately $21.7m based on an AUD/CAD exchange rate of 0.91/1.

that the Transaction is in the best interests of Mont Royal and its security holders. Further information will be outlined in the Mont Royal Notice of Meeting and Prospectus.

***11. Reinstatement on ASX***

Mont Royal notes that:

- the Transaction requires Mont Royal shareholder approval under the ASX Listing Rule 11.1.2 and therefore may not proceed if that approval is not forthcoming;
- Mont Royal is required to re-comply with ASX's requirements for admission and quotation and therefore the Transaction may not proceed if those requirements are not met;
- ASX has an absolute discretion in deciding whether to re-admit Mont Royal to the official list and to quote its securities and therefore the Transaction may not proceed if ASX exercises that discretion; and
- investors should take account of these uncertainties in deciding whether or not to buy or sell Mont Royal's securities.

Furthermore, Mont Royal notes that:

- ASX takes no responsibility for the contents of this announcement;
- it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1; and
- all material and accessible information available to the directors of Mont Royal have been included in this announcement.

For and on behalf of the Board

ENDS.

Shaun Menezes | Company Secretary

**For Further Information:**

**Peter Ruse**

*Executive Director*

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**About Mont Royal Resources**

Mont Royal Resources Limited (ASX: MRZ) is an Australian company that owns 75% of Northern Lights Minerals 536km$^2$ tenement package located in the Upper Eastmain Greenstone belt. The projects are located in the emerging James Bay area, a Tier-1 mining jurisdiction of Quebec, Canada, and are prospective for lithium, precious (Gold, Silver) and base metals mineralisation (Copper, Nickel).

For further information regarding Mont Royal Resources Limited, please visit the ASX platform (ASX: MRZ) or the Mont Royal's website www.montroyalres.com

**About Commerce Resources**

Commerce Resources Corp. is a junior mineral resource company focused on the development of the Ashram Rare Earth and Fluorspar Deposit located within their Eldor Property, in northern Quebec, Canada. The Ashram Deposit is characterized by simple rare earth (monazite, bastnaesite, xenotime) and gangue (carbonates) mineralogy, a large tonnage resource at favourable grade, and has demonstrated the production of high-grade (more than 30 – 45% TREO) mineral concentrates at high recovery (more than 60 – 75%) in line with active global producers.

The Ashram Deposit also has a fluorspar component which makes it one of the largest potential sources of fluorspar in the world and could be a long-term supplier to the met-spar and acid-spar markets. Commerce is positioning itself to be one of the lowest cost rare earth producers globally, with a specific focus on being a long-term supplier of mixed rare earth carbonate and/or NdPr oxide to the global market.

Additionally, Commerce is committed to exploring the potential of other high-value commodities on the Property such as niobium and phosphate minerals, which may help advance Ashram by reducing costs through shared development.

For more information, please visit the corporate website at www.commerceresources.com or email info@commerceresources.com.

**Competent Persons Statement**

*Bohier Project*

The information in this announcement relating to exploration results for the Bohier Project is extracted from the ASX announcement entitled "ASSAY RESULTS CONFIRM EXTENSIVE MINERALISED ZONE AT BOHIER LITHIUM PROJECT" released to the ASX on 12th November 2024 which is available to view on Mont Royal's website: www.montroyalres.com. Mont Royal confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

*Eastmain Lèran Project*

The information in this announcement relating to exploration results for the Eastmain Lèran Project is extracted from the ASX announcement entitled " FURTHER HIGH GRADE LITHIUM SAMPLES RECEIVED FROM EASTMAIN LERAN" released to the ASX on 21st November 2023 which is available to view on Mont Royal's website: www.montroyalres.com. Mont Royal confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

*Ashram Project*

The information in this announcement relating to exploration results for the Ashram Project is based on, and

fairly represents, information and supporting documentation prepared by Patrik T. Schmidt. Patrik T. Schmidt is engaged by Mont Royal and is a full-time employee of Dahrouge Geological Consulting Ltd. and is a member of *Ordre des Géologues du Québec (Geologist Permit number 02440) and with Professional Geoscientists Ontario (Geologist Permit number 3719*. Patrik T. Schmidt has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Patrik T. Schmidt consents to the inclusion in this announcement of the matters related to the Commerce Mineral Resources based on this information in the form and context in which it appears.

**End Notes**

**Important Notices & Disclaimers**

*Forward Looking Statements*

This announcement contains certain "forward looking statements" within the meaning of Australian securities laws and "forward looking information" within the meaning of Canadian securities laws (collectively referred to as "forward looking statements"). All statements, other than statements of historical fact, that address circumstances, events, activities or developments that could, or may or will occur are forward looking statements. Forward looking statements involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies including those risk factors associated with the mining industry, many of which are outside the control of, change without notice, and may be unknown to Mont Royal or Commerce. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licences, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for amongst other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rates, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks.

Forward looking statements in this announcement include, but are not limited to, statements regarding: the expected timetable, outcome and effects of the Transaction; the anticipated benefits of the Transaction to Mont Royal's and Commerce's shareholders; the prospects and outcomes of Mont Royal's and Commerce's assets; the ability of Mont Royal and Commerce to complete the Transaction on the terms described herein or at all; the plans and strategies of Mont Royal or Commerce; the future performance of Mont Royal or Commerce; the ability to obtain the requisite regulatory, stock exchange, court and shareholder approvals for the Transaction; and statements about market and industry trends, which are based on interpretation of market conditions. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "expect", "likely", "propose", "will", "intend", "should", "could", "may", "believe", "forecast", "estimate", "target", "outlook", "guidance" (including negative or grammatical variations) and other similar expressions. No representation, warranty, guarantee or assurance, express or implied, is given or made in relation to any forward looking statement. In particular no representation, warranty or assumption, express or implied, is given in relation to any underlying assumption or that any forward looking statement will be achieved. There can be no assurance that the forward looking statements will prove to be accurate. Actual and future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements were based, because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations.

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Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements, and should rely on their own independent enquiries, investigations and advice regarding information contained in this announcement. Any reliance by a reader on the information contained in this announcement is wholly at the reader's own risk.

To the maximum extent permitted by law or any relevant listing rules of the ASX/TSX-V, Mont Royal and Commerce and their respective related bodies corporate and affiliates and their respective directors, officers, employees, advisors, agents and intermediaries disclaim any obligation or undertaking to disseminate any updates or revisions to the information in this announcement to reflect any change in expectations in relation to any forward looking statements or any such change in events, conditions or circumstances on which any such statements were based. Nothing in this announcement will, under any circumstances (including by reason of this announcement remaining available and not being superseded or replaced by any other announcement or publication with respect to Mont Royal, Commerce or the subject matter of this announcement), create an implication that there has been no change in the affairs of Mont Royal or Commerce since the date of this announcement.

*Limitation on Information Regarding Mont Royal and Commerce*

All information in this announcement in relation to Commerce – including in relation to the estimates of Mineral Resources and other technical and financial information – has been sourced from, prepared for, or provided by Commerce and its related bodies corporate. Whilst Mont Royal has undertaken due diligence in order to seek to verify the accuracy of this information, no representation or warranty, expressed or implied, is made as to the fairness, accuracy, correctness, completeness or adequacy of any such information relating to Commerce.

All information in this announcement in relation to Mont Royal – including in relation to technical and financial information – has been sourced from, prepared for, or provided by Mont Royal and its related bodies corporate. Whilst Commerce has undertaken due diligence in order to seek to verify the accuracy of this information, no representation or warranty, expressed or implied, is made as to the fairness, accuracy, correctness, completeness or adequacy of any such information relating to Mont Royal.

*Not Investment Advice*

This announcement is not financial product, investment advice or a recommendation to acquire securities of Mont Royal or Commerce and has been prepared without taking into account the objectives, financial situation or needs of individuals. Each recipient of this announcement should make its own enquiries and investigations regarding all information in this announcement, including, but not limited to, the assumption, uncertainty and contingencies which may affect future operations of Mont Royal and/or Commerce and the impact that different future outcomes may have on Mont Royal and/or Commerce. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Unless otherwise stated, all dollar values in this Announcement are reported in Australian dollars.

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**Appendix A – Commerce Foreign Estimate Disclosures (as required by ASX Listing Rule 5.12)**

The Mineral Resources for Commerce, which includes an Indicated Mineral Resource of 73.2Mt at 1.89% REO and 6.6% $CaF_2$ and an Inferred Resource of 131.1Mt at 1.91% REO and 4.0% $CaF_2$, at a cut-off of C$287 Net Metal Return (NMR) per tonne, are estimated at 4 April 2024.[7]

The information in this announcement relating to Commerce's Mineral Resources is reported in accordance with the requirements applying to foreign estimates in the ASX Listing Rules and, as such, are not reported in accordance with the JORC Code.

A Competent Person has not yet completed sufficient work to classify the Mineral Resources as JORC Code Mineral Resources in accordance with the JORC Code 2012.

It is uncertain that following evaluation and/or further exploration work that the Mineral Resources will be able to be reported as Mineral Resources in accordance with the JORC Code.

The information in this announcement relating to Mineral Resource for Commerce is based on the technical report titled "Mineral Resource Estimate for the Ashram Rare Earth and Fluorspar Deposit" with an effective date of 4 April 2024 which was prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

The Mineral Resources estimates for Commerce are not, and do not purport to be, compliant with the JORC Code and are therefore classified as "foreign estimates" under the ASX Listing Rules.

**Mineral Resources Statement[8]**

| **Cut-off NMR** | | **$287/t** | |
|---|---|---|---|
| **Category** | | **Indicated** | **Inferred** |
| **Tonnes** | **Mt** | **73.2** | **131.1** |
| **Total REO** | % | **1.89** | **1.91** |
| Nd+Pr Oxide/TREO | | 21.2 | 21.4 |
| Tb+Dy Oxide/TREO | | 0.7 | 0.5 |
| **$La_2O_3$** | ppm | **4,829** | **4,969** |
| $Ce_2O_3$ | | 8,753 | 8,933 |
| **$Pr_2O_3$** | | **907** | **927** |

[7] Refer to the cautionary statement on Page 1 of this announcement.

[8] Mineral Resources estimates for Commerce are based on the technical report titled "Mineral Resource Estimate for the Ashram Rare Earth Element and Fluorspar Deposit, Nunavik, Québec, Canada" with an effective date of 4 April 2024 which was prepared in accordance with NI43-101 and is available on Commerce's profile on SEDAR+ at www.sedarplus.ca. Refer to the Commerce - Foreign Estimate Disclosures in Appendix A of this announcement. Refer to the cautionary statement on Page 1 of this announcement.

| | | | |
|---|---|---|---|
| **$Nd_2O_3$** | | **3,112** | **3,162** |
| $Sm_2O_3$ | | 412 | 385 |
| $Eu_2O_3$ | | 98 | 87 |
| $Gd_2O_3$ | | 223 | 195 |
| **$Tb_2O_3$** | | **24** | **19** |
| **$Dy_2O_3$** | | **102** | **73** |
| $Ho_2O_3$ | | 14 | 10 |
| $Er_2O_3$ | | 31 | 21 |
| $Tm_2O_3$ | | 3 | 2 |
| $Yb_2O_3$ | | 18 | 13 |
| $Lu_2O_3$ | | 2 | 2 |
| $Y_2O_3$ | | 419 | 280 |
| Fluorspar ($CaF_2$) | % | 6.6 | 4.0 |

Notes on the Ashram Resource table:

1. Mineral resources are not mineral reserves as they have not demonstrated economic viability. The quantity and grade of reported Inferred Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated or Measured. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
2. Resources are presented as undiluted and in situ for an open-pit scenario and are considered to have reasonable prospects for eventual economic extraction. The constraining pit shell was developed using an overall pit slope of 52 degrees, and the resulting strip ratio is 2.7:1.
3. Three-dimensional modelling was prepared using Leapfrog Geo v.2023.2.1 with a database of 213 surface drill holes, six surface channels and 32,962 samples, of which 117 drill holes and a total of 18,495 assays were used to interpolate the block model mineralized zones.
4. Resources encompass three REE-bearing zones (A-zone, B-Zone, and Breccia (Classic)), each defined by wireframes. A value of zero grade was applied in cases of core not assayed.
5. High-grade capping was done on the composited assay data and established on a per-zone basis for each element.
6. Density values were interpolated using ordinary kriging for four rock types in the geological model, including the three mineralized rock types (A-Zone, B-Zones and Breccia (Classic)), with density averages of 3.08 g/cm3 for A-Zone, 3.00 g/cm3 for B-Zone, 3.05 g/cm3 for Breccia (Classic), and 2.92 g/cm3 for BD- Zone. Surrounding country rock lithologies were given a fixed density value from their range median values: Carbonatites ranging from 2.85 g/cm3 to 2.97 g/cm3, Metavolcanic = 2.84 g/cm3, and Lamprophyre = 2.97 g/cm3." Grade model resource estimation was interpolated from drill hole data using an OK interpolation method in a sub-blocked block model using blocks measuring 5 m x 5 m x 5 m in size and sub-blocks down to 1.25 m x 1.25 m x 1.25 m.
7. The MRE cut-off, expressed as a NMR value, was calculated to be CAD154/t, which is based on a 3-year annualized average (2021, 2022 and 2023) for the five payable oxides; (USD1.25/kg for La2O3, USD95/kg for Pr2O3, USD95/kg for Nd2O3, USD1,500/kg for Tb2O3, and USD375/kg for Dy2O3), estimated metal recoveries, and operating costs for mining, processing, transportation and G&A. A cut-off of CAD287/t is considered as the base case for the MRE and is guided by reasonable prospects of eventual economic extraction over a reasonable timeframe. The cut-off grade considers a CAD:USD exchange rate of 1.30. Metal prices sourced from Adamas Intelligence's Rare Earth Pricing Quarterly Outlook (Q1 2024).

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8. Inferred mineral resources are constrained to areas where drill spacing is less than 200 m, and where reasonable geological and grade continuity is shown. Indicated mineral resources are constrained to areas where drill spacing is less than 70 m, and where reasonable geological and grade continuity is displayed
9. An open-pit mining method was considered for the MRE and a conceptual pit shell to constrain the resources was developed using Hexagon's MinePlan 3D software, Version 16.05.
10. REO is the sum of lanthanides (as oxides) + yttrium oxide. NdPr distribution is calculated as (Nd2O3 + Pr2O3) / REO x 100. TbDy distribution calculated as (Tb2O3 + Dy2O3) / REO x 100. CaF2 is calculated from fluorine assay using factor of 2.055 (F to CaF2) and assumes all fluorine is contained within the mineral fluorite ("fluorspar").
11. Calculations used metric units (metre, tonne). Metric tonnages have been rounded, and any discrepancies in total amounts are due to rounding errors.
12. CIM definitions and guidelines (2019) for Mineral Resource Estimates have been followed.
13. The Qualified Persons (**QPs**) are unaware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues or any other relevant issues that could materially affect this MRE.

ASX Listing Rule 5.12 requires specific information to be included in a public announcement that contains a foreign estimate. In accordance with ASX Listing Rule 5.12, Mont Royal provides the additional information below and the information elsewhere in this announcement.

*Competent Person's Statement*

Patrik T. Schmidt confirms that the information in this market announcement that relates to Commerce's Mineral Resources provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Mont Royal as a foreign estimate. Patrik T. Schmidt is a full-time employee of Dahrouge Geological Consulting Ltd. and is a member of *Ordre des Géologues du Québec (Geologist Permit number 02440) and with Professional Geoscientists Ontario (Geologist Permit number 3719*. Patrick T. Schmidt is a consultant to the Company. Patrik T. Schmidt has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Patrik T. Schmidt consents to the inclusion in this announcement of the matters related to the Commerce Mineral Resources based on this information in the form and context in which it appears.

| ASX Listing Rule | ASX Explanation | Commentary |
|---|---|---|
| 5.12.1 | The source and date of the historical estimates or foreign estimates | The updated Mineral Resource Estimate is reported in the NI 43-101 Technical Report dated 22 May 2024 (**Foreign Estimate**).<br><br>The Foreign Estimate is effective as of 4 April 2024.<br><br>The document can be found at https://commerceresources.com/commerce-resources-announces-significant-increase-in-indicated-mineral-resource-for-the-ashram-rare-earth-fluorspar-deposit-quebec/ |
| 5.12.2 | Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the | The Foreign Estimate has been prepared in accordance with the Canadian National Instrument 43-101 ("NI 43-101")<br><br>The Foreign Estimate contains categories of NI 43-101 'Indicated' and 'Inferred', that are consistent with the |



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| | differences | terminology of the 'Indicated' and 'Inferred' under the JORC Code (2012 Edition). |
| 5.12.3 | The relevance and materiality of the historical estimates or foreign estimates to the entity | The Foreign Estimate is material to the entity being acquired by Mont Royal.<br><br>Mont Royal considers the Foreign Estimates of the Ashram Deposit to be material given the significant resource value, project development, and funding strategies.<br><br>The development of the Foreign Estimate will be a key focus for Mont Royal following completion of the Transaction. |
| 5.12.4 | The reliability of historical estimates or foreign estimates, including by reference to any of the criteria in Table 1 of Appendix 5A (JORC Code) which are relevant to understanding the reliability of the historical estimates or foreign estimates | The Foreign Estimate is supported by extensive QA/QC, validated drill data, geological modeling, and site verification as per NI 43-101 and comparable criteria outlined in Table 1 of the JORC Code (2012 Edition).<br><br>The Foreign Estimate is considered to be reliable by Mont Royal for the following reasons:<br><br>• *Key criteria, as defined in Table 1 of the JORC Code 2012, has been addressed; and*<br><br>• *The foreign estimate has been reported publicly through the release of a NI 43-101 Technical Report supported by relevantly experienced Qualified Persons.* |
| 5.12.5 | To the extent known, a summary of work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical or foreign estimates | The Foreign Estimate is based on diamond drilling undertaken between 2008–2022. ). The underlying database contains 213 surface diamond drill holes, six (6) surface channels and 32,962 samples. Of these 213 drill holes, 117, for a total of 28,783 m, were used to interpolate the block model.<br><br>• Sampling procedures follow industry-standard protocols, including QA/QC measures. Quality control samples representing approximately 4.5 to 5% of the total samples collected and shipped to Activation Laboratories (Actlabs) in Ontario.<br><br>• Samples were analyzed using lithium metaborate/tetraborate fusion followed by Inductively Coupled Plasma (ICP) for the major oxides and by Inductively Coupled Plasma Mass Spectrometry (**ICP-MS**) for a series of 57 elements, which include the REEs (Actlabs code 8-REE package by fusion ICP and ICP/MS). The element F is analyzed using fusion ion selective electrode (ISE) (Actlabs code 4F-F).<br><br>• The independent QP validated the database, ensuring coordinate systems (UTM NAD83 Zone 19), drill logs, assay data, and downhole surveys were consistent and accurate. |

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| | | • Geological units and REE-bearing zones (A-Zone, B-Zone, Breccia Classic) were wireframed in Leapfrog Geo™ based on drill intercepts and lithology. Zones were treated as hard boundaries to avoid grade smearing across different lithologies.<br><br>• Based on statistical and geological considerations, 13,589 composites were generated by the independent QP with an average length of 2 m, ranging from 1 m to 3 m, after removing outliers and redistributing the tails. In REE-bearing zones, 98.3% of the samples are between 0.5 m and 2 m long.<br><br>• Variograms were modeled to understand spatial grade continuity for each element. This guided the Ordinary Kriging (OK) interpolation parameters.<br><br>• A 3D block model (with 5 m x 5 m x 5 m parent blocks, sub-blocked to 1.25 m) was created. Block grades were interpolated using Ordinary Kriging, constrained by the zone wireframes.<br><br>• The pricing used for the five payable rare earth oxides in the Ashram Deposit resource estimate is based on the 3-year annualized average (2021–2023) from Adamas Intelligence's Rare Earth Pricing Quarterly Outlook (Q1 2024):<br>  ○ $La_2O_3$: USD 1.25/kg<br>  ○ $Pr_2O_3$: USD 95/kg<br>  ○ $Nd_2O_3$: USD 95/kg<br>  ○ $Tb_2O_3$: USD 1,500/kg<br>  ○ $Dy_2O_3$: USD 375/kg<br><br>• The Foreign Estimate cut-off, expressed as an NMR (net metal return) value was considered CAD287/t as the base case and is guided by reasonable prospects of eventual economic extraction over a reasonable timeframe. The cut-off grade considers a CAD:USD exchange rate of 1.30. |
| 5.12.6 | Any more recent estimates or data relevant to the reported mineralisation available to the entity | The Foreign Estimate is the most recent public estimate and is current as of the NI 43-101 filing by Commerce in respect of the Foreign Estimate. |
| 5.12.7 | The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign | It is not necessary to undertake further exploration works to verify the resource is in accordance with ASX Listing Rules Appendix 5A (JORC Code). An independent review of the mineral resource estimate is currently being undertaken in |

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| | estimates as Mineral Resources or Ore Reserves in accordance with ASX Listing Rules Appendix 5A (JORC Code) | respect of the Ashram Deposit and an independent technical report will be contained within Mont Royal's Prospectus. This announcement includes a competent person sign off for the Foreign Estimate under the JORC Code 2012. |
| 5.12.8 | The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work | Not applicable. The Foreign Estimate disclosed in accordance with Appendix 5A (JORC Code) will be released by Mont Royal as part of the Prospectus. |
| 5.12.9 | A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that:<br>• the estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC Code;<br>• a Competent Person has not done sufficient work to classify the historical estimates or foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code; and<br>• it is uncertain that following evaluation and/or further exploration work that the historical estimates or foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code | Mont Royal cautions that the Mineral Resources for Commerce are not reported in accordance with the JORC Code 2012.<br><br>A Competent Person has not yet completed sufficient work to classify the Mineral Resources as JORC Code Mineral Resources in accordance with the JORC Code 2012.<br><br>It is uncertain that following evaluation and/or further exploration work that the Mineral Resources will be able to be reported as Mineral Resources in accordance with the JORC Code. Nothing has come to the attention of Mont Royal that causes it to question the accuracy or reliability of Commerce's estimates of NI43-101 Standard Mineral Resources, but Mont Royal has not independently validated those estimates and therefore Mont Royal is not to be regarded as reporting, adopting or endorsing those estimates. |
| 5.12.10 | A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c) | See Competent Person's statement above. |

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**Appendix B – Ashram Project**

***Part A – JORC (2012) Table 1***

| Section 1: Sampling Techniques and Data | | |
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| **Criteria** | **JORC Code Explanation** | **Commentary** |
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | Sampling comprises diamond drill core collected from 2008 to 2022. All drill core was oriented to maximum foliation prior to logging and sampling. Core was split pre-dominantly using a diamond saw, with half-core submitted for analysis. Sample intervals typically ranged from 0.5 m to 3.0 m and consider lithology, mineralogy, and texture. Samples typically end on lithological boundaries. Sampling procedures follow industry-standard protocols, including QA/QC measures.<br><br>Core samples collected from drill holes were shipped to Actlabs in Ancaster, ON, for sample preparation. All samples received are inventoried and typically weighted. Drying is done to samples having excess humidity. Sample material is crushed in a jaw and/or roll crusher to 80% passing 10 mesh, followed by a 250-g riffle split to obtain a sub-sample, which is then pulverized to 95% passing 105 µ using a single component (flying disk) or a two component (ring and puck) ring mill (package RX1). The pulp material is then analyzed using lithium metaborate/tetraborate fusion followed by Inductively Coupled Plasma (ICP) for the major oxides and by Inductively Coupled Plasma Mass Spectrometry (ICP-MS) for a series of 57 elements, which include the REEs (Actlabs code 8-REE package by fusion ICP and ICP/MS). The element F is analyzed using fusion ion selective electrode (ISE) (Actlabs code 4F-F). |
| ***Drilling Techniques*** | • *Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-* | All drilling was completed using diamond core methods, primarily NQ and HQ diameter. Core was not oriented; however, downhole televiewer data has been collected on multiple holes. Drilling contractors employed industry-standard techniques. |



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| | *sampling bit or other type, whether core is oriented and if so, by what method, etc).* | |
| ***Drill Sample Recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | Core recovery was measured for each run, with values generally exceeding 90%. Recovery data was logged in the geological database. No bias or correlation between recovery and grade was observed. |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | Core was logged for lithology, alteration, mineralization, and structure. Logging was completed in both qualitative and quantitative (geotechnical) formats.<br>A specific gravity measurement of an entire sample was collected at systematic intervals using the water immersion method. Core was photographed before cutting. |
| ***Subsampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled* | Half-core samples were prepared by certified laboratories following standard protocols: drying, crushing, splitting, and pulverizing to 85% passing 75 microns. Field duplicates and pulp duplicates were routinely inserted. Sample size and preparation procedures are considered appropriate. |

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| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | Samples were assayed using ICP-MS methods for rare earth element analysis and XRF for niobium and tantalum. QA/QC protocols included certified reference materials, blanks, pulp duplicates, and external laboratory checks. Results fall within acceptable accuracy and precision limits. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data* | Data was verified by independent Qualified Persons (NI 43-101). Verification included checks of collar locations, drill logs, and assay entries. No twinned holes were completed, although nests have been completed on several holes to support downhole instrument installation Data capture utilizes MX Deposit software whereby core logging data is either entered directly into the software (2021 and 2022) or data has been collected in different formats (prior to 2021) and subsequently entered into MX Deposit software for storage, including direct import of laboratory analytical certificates as they are received. The Company employs various on-site and post QAQC protocols to ensure data integrity and accuracy. Adjustments to data include reporting the individual rare-earth elements, niobium and tantalum in their oxide forms, as it is reported in elemental form in the assay certificates. Conversion factors are as follows:<br><br>• Ta x 1.221 = Ta2O5<br>• Nb x 1.4305 = Nb2O5<br>• La x 1.1728 = $La_2O_3$<br>• Ce x 1.1713 = $Ce_2O_3$<br>• Pr x 1.1702 = $Pr_2O_3$ |



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| | | • Nd x 1.1664 = $Nd_2O_3$<br>• Sm x 1.1596 = $Sm_2O_3$<br>• Eu x1.1579 = $Eu_2O_3$<br>• Gd x 1.1526 = $Gd_2O_3$<br>• Tb x 1.1510 = $Tb_2O_3$<br>• Dy x 1.1477 = $Dy_2O_3$<br>• Ho x 1.1455 = $Ho_2O_3$<br>• Er x 1.1435 = $Er_2O_3$<br>• Tm x 1.1421 = $Tm_2O_3$<br>• Yb x 1.1387 = $Yb_2O_3$<br>• Lu x 1.1371 = $Lu_2O_3$<br>• Y x 1.2699 = $Y_2O_3$<br>• F x 2.055 = CaF2<br><br>REO is the sum of lanthanides (as oxides) + yttrium oxide. NdPr distribution is calculated as (Nd2O3 + Pr2O3) / REO x 100. TbDy distribution calculated as (Tb2O3 + Dy2O3) / REO x 100.<br><br>CaF2 is calculated from fluorine assay using factor of 2.055 (F to CaF2) and assumes all fluorine is contained within the mineral fluorite ("fluorspar"). |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | Drill collars were surveyed using a real-time kinematic (RTK) GPS by a certified land surveor. UTM NAD83 Zone 19N was used for reporting. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | Drill spacing ranges from <70 m for Indicated Resources to up to 200 m for Inferred Resources. Sampling density supports geological and grade continuity sufficient for classification. Composites of 2.5 m were used in the estimation. |

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| | • *Whether sample compositing has been applied* | |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | Drill holes were generally oriented perpendicular to the interpreted mineralized zones. No significant bias is interpreted from drill orientation relative to geological structures. |
| ***Sample security*** | • *The measures taken to ensure sample security* | Chain of custody procedures were in place from drill site to analytical lab. Samples were stored securely prior to dispatch. Sample shipment logs were maintained and verified. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | The sample database and QA/QC procedures were reviewed by independent QPs. Recommendations were implemented where applicable. The database is considered reliable for Mineral Resource estimation. |

| **Section 2: Reporting of Exploration Results** | | |
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| **Criteria** | **JORC Code Explanation** | **Commentary** |
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area* | The Eldor Property consists of 244 contiguous claims (11,474.7 ha) located in Nunavik, Québec. Commerce Resources Corp. holds 100% ownership. The original eight claims acquired from Virginia Gold Mines Inc. (Virginia) are subject to a 1% NSR royalty in favour of Virginia and a 5% NPI royalty in favour of two individuals. Commerce has the right to buy back the 5% NPI royalty in consideration of $500,000. The Ashram Deposit is not subject to royalties. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | All exploration relevant to the Mineral Resource Estimate has been conducted by Commerce Resources Corp. or its consultants. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | The Ashram Deposit is a carbonatite-hosted REE and fluorspar system, dominated by monazite mineralization with accessory bastnäsite and xenotime. Mineralization that forms the Ashram Deposit occurs in a ~500 m wide pipe-like body, that is part of the |

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| | | much larger Eldor Carbonatite Complex which also hosts several niobium enriched occurrences.<br>The Eldor Property is located in the Paleoproterozoic New Quebec Orogen (also known as the 'Labrador Trough' or 'Fosse du Labrador'). The recent interpretation defines the New Quebec Orogen as three cycles of sedimentation and volcanism, which make up the Kaniupiskau Supergroup. The cycles thicken eastwards and are separated from each other by erosional unconformities. The first two cycles are volcano-sedimentary in nature with an emplacement age, via U-Pb dating, of between 2.17 and 2.14 Ga and between 1.88 and 1.87 Ga respectively. The Eldor Carbonatite intruded during the second cycle. Overlying this sequence is a syn-orogenic suite of meta-sedimentary rocks that form the third cycle. |
| ***Drill hole information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>- *easting and northing of the drill hole collar*<br>- *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>- *dip and azimuth of the hole*<br>- *down hole length and interception depth*<br>- *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case* | Refer to tables in the report and notes attached thereto which provide the drill hole information in required to inform a material understanding of the exploration results on the Ashram Deposit and principal niobium prospects. |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high* | Length weighted averages were used to calculate grade over width.<br>No specific grade cap or cut-off was used during grade width calculations. The REO length weighted average grade of the carbonatite interval is calculated at the discretion of the geologist. Carbonatites have inconsistent mineralization by nature, resulting |



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| | *grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | in some intervals having a small number of poorly mineralized samples included in the calculation. No metal equivalents have been reported. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | Drilling was generally oriented to intersect mineralization orthogonally, however since the drilling is entirely within the intrusive body, the true width is not known. True widths are not reported but drilling is believed to provide representative intersections. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views* | Please refer to the figures included in the announcement. |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All material exploration information used in the estimation of the Ashram foreign resource estimate has been summarised in this announcement. No material exploration information has been excluded. Figure 2 contains all drill holes within 100 metres of the slicer for the relevant cross-section. Figures 3 contains all material drill holes used in the estimation of the Foreign Estimate. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | Extensive mineralogical, metallurgical, and geotechnical data support the resource model. Test work includes flotation, hydrometallurgy, and REE concentrate production.<br>A number of mineral processing test work programs have been carried out on the Ashram Project to develop a beneficiation flowsheet to produce a rare earth mineral concentrate suitable for hydrometallurgical processing.<br>Samples used for the flotation development work at SGS were collected as a bulk sample from outcrops. The bulk sample was |



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| | | collected from three locations with the approximate coordinates (in UTM, NAD 83 Zone 19):<br><br>Sample ID, Easting, Northing<br>BSOC3: 536281, 6311974<br>BSOC2: 536324, 6311996<br>BSOC1: 536378, 6312000<br><br>Recovery assumptions were element-specific, with TREO recoveries averaging ~62% in flotation and up to 95% in acid bake and leach circuits. |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions or large-scale step out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | The QPs recommend continued definition drilling, metallurgical optimization, and advancement to a Preliminary Economic Assessment. |

| **Section 3: Estimation and Reporting of Mineral Resources** | | |
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| **Criteria** | **JORC Code explanation** | **Commentary** |
| ***Database integrity*** | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | The database was compiled and maintained by Commerce Resources and verified by the QP. Validation included checks on collar locations, downhole surveys, sample intervals, and assay entries. Minor issues were resolved and the database is considered reliable. |
| ***Site visits*** | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | The QP, Pierre-Luc Richard (P.Geo.), visited the site in September 2021. Activities included review of core, validation of collar locations, and discussions with site geologists. Drill rigs were not active at the time. |
| ***Geological interpretation*** | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.* | Geological interpretation is supported by detailed logging of lithologies, structures, and alteration. The confidence in the model |



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| | • *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | is considered moderate to high due to consistency of mineralization and extensive drilling. |
| ***Dimensions*** | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | The Ashram Deposit extends over ~700 m along strike, ~500 m across, and to a vertical depth of ~600 m. The geometry is pipe-like and vertical. |
| ***Estimation and modelling techniques*** | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.* | The Mineral Resource Estimate (MRE) for the Ashram Deposit was prepared using Leapfrog Geo™ v.2023.2.2 for geological and mineralization modelling, and Snowden Supervisor™ v.8.15 for statistical and geostatistical analysis. Block model grade interpolation was completed using ordinary kriging (OK), following variogram analysis and kriging neighbourhood analysis (KNA) to optimize interpolation parameters. Hard boundaries were applied between mineralized zones and surrounding lithologies to prevent grade smearing. Specific gravity was determined using the water displacement (Archimedes) method on over 3,300 drill core samples, and density was interpolated using OK within mineralized zones, while fixed values were assigned to country rocks based on median ranges. Grade capping was applied on a per-element, per-domain basis to reduce the influence of extreme values. The block model was constructed with parent cells of 5 m x 5 m x 5 m and sub-blocked to 1.25 m resolution. The model was validated through statistical comparison, swath plots, and visual checks. Mineral Resources were classified as Indicated or Inferred based on drill spacing, geological continuity, and estimation confidence, with no Measured Resources defined at this stage. The MRE is reported within a conceptual open pit shell, based on reasonable prospects for eventual economic extraction. |

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| | • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | |
| ***Moisture*** | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | Tonnages are reported on a dry basis. |
| ***Cut-off parameters*** | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | A cut-off value of CAD287/t Net Metal Return (NMR) was used, incorporating metallurgical recoveries, market pricing, and operating costs. The cut-off supports reasonable prospects for eventual economic extraction.<br>The pricing used for the five payable rare earth oxides in the Ashram Deposit resource estimate is based on the 3-year annualized average (2021–2023) from Adamas Intelligence's Rare Earth Pricing Quarterly Outlook (Q1 2024):<br>• $La_2O_3$: USD 1.25/kg<br>• $Pr_2O_3$: USD 95/kg<br>• $Nd_2O_3$: USD 95/kg<br>• $Tb_2O_3$: USD 1,500/kg<br>• $Dy_2O_3$: USD 375/kg<br>The cut-off grade considers a CAD:USD exchange rate of 1.30. |
| ***Mining factors or assumptions*** | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | An open-pit mining scenario was considered. The resource is constrained within a conceptual pit shell using a 52° slope angle and 2.7:1 strip ratio. |



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| ***Metallurgical factors or assumptions*** | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | Extensive flotation and hydrometallurgical test work was completed. Recovery assumptions were element-specific, with TREO recoveries averaging ~62% in flotation and up to 95% in acid bake and leach circuits. |
| ***Environmental factors or assumptions*** | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | Preliminary environmental and permitting considerations have been included. No material environmental risks have been identified to date that would affect the resource estimate. |
| ***Bulk density*** | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | Density was measured using the water displacement method on core samples and interpolated using OK. Average densities: A-Zone 3.08 g/cm³, B-Zone 3.00 g/cm³, Breccia 3.05 g/cm³. Country rock assigned fixed values. Carbonatites: ranging from 2.85 g/cm³ to 2.97 g/cm³, metavolcanic: 2.84 g/cm³ lamprophyre: 2.97 g/cm³ |
| ***Using the*** | • *The basis for the classification of the Mineral Resources into* | Mineral Resources were classified as Indicated where drill spacing |



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| ***Classification*** | *varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | was ≤70 m, and geological and grade continuity were well established, and as Inferred where spacing was up to 200 m with sufficient geological support.<br><br>It is the Competent Person's view that the results are appropriate |
| ***Audits or reviews*** | • *The results of any audits or reviews of Mineral Resource estimates.* | The Mineral Resource Estimate prepared by independent qualified persons (under NI43-101) was reviewed internally and is consistent with CIM Definition Standards. No further external audit was conducted. |
| ***Discussion of relative accuracy/ confidence*** | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | The relative accuracy and confidence of the Mineral Resource Estimate (MRE) for the Ashram Deposit are considered to be high at the Indicated category level and reasonable at the Inferred level, consistent with the classification criteria and supporting data density. The estimation methodology incorporated industry-standard practices including 3D geological modelling, rigorous geostatistical analysis, and interpolation using ordinary kriging (OK), informed by a robust dataset of 117 drill holes totaling 28,783 m. Drill spacing within the Indicated portion of the deposit is generally ≤50 m, and up to 70 m, which provides high confidence in both geological and grade continuity. Inferred Resources are constrained to areas with a maximum drill spacing of 200 m where continuity is interpreted but less certain.<br><br>The block model was validated using multiple methods: visual inspection of block grades against drill hole assays in cross-sections and plan views, comparison of input and estimated grade statistics, and review of swath plots to assess local trends. Geostatistical performance metrics such as kriging efficiency and slope of regression were also used to evaluate the reliability of the estimation. The classification scheme applied conservative constraints, including the use of clipping boundaries to avoid |

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| | | overclassification.<br><br>The Mineral Resources are reported within an optimized conceptual pit shell generated using MinePlan 3D™, incorporating metallurgical recoveries, operating cost assumptions, and net metal return (NMR) modelling to meet the test of reasonable prospects for eventual economic extraction (RPEEE). Pit optimization was conducted using a 52° pit slope and a base-case NMR cut-off of CAD287/t, which is above the breakeven cut-off of CAD154/t, further contributing to the conservatism of the estimate.<br><br>While no formal reconciliation data is available at this stage (as the project is not yet in production), the consistency of the block model with the drilling data, the rigorous QA/QC program, and the well-established monazite-hosted REE mineralization style lend strong support to the reliability of the model. The deposit's geological setting and mineralization are well understood through drilling, surface mapping, and metallurgical testwork. Therefore, the MRE is considered to have a high level of confidence globally for Indicated material and a reasonable level of local confidence for Inferred resources. No Measured category resources have been defined due to the early-stage nature of the project and conservative classification criteria. |

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***Part B – Material Drill-Holes***

| Drill-hole | Easting and northing | Elevation or RL | Dip and azimuth | Core size | End of hole |
|---|---|---|---|---|---|
| EC10-027 | *536391, 6312024* | 281 | -50, 230 | NQ – 47.6mm | 293.71 |
| *EC24-208* | *538093, 6310814* | 285 | -50, 050 | NQ – 47.6mm | 300 |
| *EC24-225* | *538306, 6310743* | 284 | -45, 230 | NQ – 47.6mm | 297 |
| *EC24-232* | *538360, 6310922* | 297 | -45, 230 | NQ – 47.6mm | 282 |
| *EC24-215* | *537542, 6311755* | 274 | -45, 230 | NQ – 47.6mm | 291 |
| *EC24-220* | *537703, 6311228* | 273 | -45, 230 | NQ – 47.6mm | 294 |
| Location of Bulk Samples collected from outcrops at surface | | | | | |
| BSOC1 | 536378, 6312000 | N/A | N/A | N/A | N/A |
| BSOC2 | 536324, 6311996 | N/A | N/A | N/A | N/A |
| *BSOC3* | 536281, 6311974 | N/A | N/A | N/A | N/A |

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## Appendix C – Indicative Pro forma Statement of Financial Position (A$)

The tables below set out the indicative Pro Forma Historical Consolidated Statement of Financial Position of Mont Royal based on the publicly available financial positions of Mont Royal as at 31 December 2024 and Commerce as at 31 October 2024. The Pro Forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Mont Royal's view of its future financial position.

The conversion of the Commerce financial position at 31 October 2024 to AUD is based on an exchange rate of AUD/CAD $0.91.

**Proforma Merged Group Financial Position assuming $8,000,000 Capital Raising**

| | MRZ review accounts<br>31/12/2024<br>A$ | CCE Audited Accounts<br>31/10/2024<br>CAD$ | CCE Audited Accounts<br>31/10/2024<br>A$ | Proforma Adjustments<br>A$ | Proforma Consolidated balance sheet<br>A$ |
|---|---|---|---|---|---|
| **Current Assets** | | | | | |
| Cash | 1,751,955 | 2,486,685 | 2,732,621 | 7,616,265 | 12,100,841 |
| Marketable Securities | | 3,369 | 3,702 | | 3,702 |
| Short-term investments | | 23,000 | 25,275 | | 25,275 |
| Taxes and other receivables | 476,090 | 521,692 | 573,288 | | 1,049,378 |
| Investment in associate | | 299,951 | 329,616 | | 329,616 |
| Due from equity investee | | 1,880 | 2,066 | | 2,066 |
| Prepaid expenses | 18,949 | 536,784 | 708,781 | | 727,730 |
| **Total Current Assets** | **2,246,994** | **3,981,568** | **4,375,349** | | **14,238,608** |
| | | | | | |
| **Non-Current Assets** | | | | | |
| Equipment | - | | - | | - |
| Exploration assets | 6,232,710 | 50,600,034 | 55,604,433 | 1,244,047 | 63,081,190 |
| Reclamation bonds | | 80,000 | 87,912 | | 87,912 |
| Right of use assets | | 79,004 | 86,818 | | 86,818 |



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| | | | | | |
|---|---|---|---|---|---|
| **Total Non-Current Assets** | **6,232,710** | **50,759,038** | **55,779,163** | | **63,255,920** |
| **Total Assets** | **8,479,704** | **54,740,606** | **60,154,512** | | **77,494,528** |
| | | | | | |
| **Current Liabilities** | | | | | |
| Accounts payable | 290,009 | 1,260,758 | 1,385,448 | | 1,675,457 |
| Related parties payables | | 224,394 | 246,587 | | 246,587 |
| Taxes payable | | 9,173 | 10,080 | | 10,080 |
| Flow through liability | | 53,369 | 58,647 | | 58,647 |
| Lease liability | | 34,555 | 37,973 | | 37,973 |
| **Total Current liabilities** | **290,009** | **1,582,249** | **1,738,735** | | **2,028,744** |
| **Non-Current liabilities** | | | | | |
| Lease liabilities | | 56,584 | 62,180 | | 62,180 |
| **Total Liabilities** | **290,009** | **1,638,833** | **1,800,915** | | **2,090,924** |
| **Net Assets** | **8,189,695** | **53,101,773** | **58,353,597** | | **75,403,604** |
| | | | | | |
| Share capital | 13,562,268 | 108,424,842 | 119,148,178 | (2,661,169) | 130,049,277 |
| Reserves | 2,515,068 | 11,257,510 | 12,370,890 | (2,515,068) | 12,370,890 |
| Accumulated losses | (8,427,218) | (66,580,579) | (74,165,471) | 14,576,127 | (67,016,563) |
| Non-controlling interests | 539,577 | | - | (539,577) | - |
| **Total Shareholders Equity** | **8,189,695** | **53,101,773** | **58,353,597** | **8,653,719** | **75,403,604** |

Adjustments:

1. From 31 October 2024 to 31 January 2025, which was the date of Commerce's first quarter unaudited financial results released to the market, Commerce has continued to incur expenses relating to the Ashram Project and general and administration costs which resulted in the cash balance reducing by $2,176,262 and an increase in exploration assets of $1,244,047 and accumulated losses of $932,215
2. Mont Royal equity capital raising of $8,000,000 less capital raising fees of 6% being $480,000
3. Commerce will issue Convertible Notes that on completion of the Transaction will be converted in Mont Royal shares. This assumes the C$2,200,000 Convertible Note will be exchanged into AUD using an exchange rate of AUD/CAD of $0.91. Refer to Appendix C for further details on the Convertible Notes.
4. The accrued interest at 20% on the Convertible Note will be converted in shares in Mont Royal upon completion of the Transaction.



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5. Mont Royal will acquire 100% of the issued and outstanding shares of Commerce pursuant to the Arrangement Agreement, in exchange for the issuance of 108,302,216 Mont Royal Shares to the shareholders of Commerce, resulting in Commerce shareholders owning 85.7% of Mont Royal, before the conversion of Commerce's Convertible Note and Capital Raising. As a result, provisionally Commerce has been treated as the accounting acquirer and Mont Royal will be the legal acquirer. The reverse takeover nature of the Arrangement does not meet the definition of a business combination under IFRS 3 Business Combinations and accordingly will be accounted in accordance with IFRS 2, Share-based Payments with Commerce being the acquirer.
6. Commerce, as the accounting acquirer, does not recognise the book value of Mont Royal's share capital of A$13,562,268, accumulated losses of A$8,427,218, reserves A$2,515,068 and non-controlling interests A$539,577.

**Proforma Merged Group Financial Position assuming $10,000,000 Capital Raising**

| | MRZ review accounts<br>31/12/2024<br>A$ | CCE audited Accounts<br>31/10/2024<br>CAD$ | CCE Audited Accounts<br>31/1/2025<br>A$ | Proforma Adjustments<br>A$ | Proforma Consolidated balance sheet<br>A$ |
|---|---|---|---|---|---|
| **Current Assets** | | | | | |
| Cash | 1,751,955 | 2,486,685 | 2,732,621 | 9,496,265 | 13,980,841 |
| Marketable Securities | | 3,369 | 3,702 | | 3,702 |
| Short-term investments | | 23,000 | 25,275 | | 25,275 |
| Taxes and other receivables | 476,090 | 521,692 | 573,288 | | 1,049,378 |
| Investments in associate | | 299,951 | 329,616 | | 329,616 |
| Due from equity investee | | 1,880 | 2,066 | | 2,066 |
| Prepaid expenses | 18,949 | 644,991 | 708,781 | | 727,730 |
| **Total Current Assets** | **2,246,994** | **3,981,568** | **4,375,349** | | **16,118,608** |
| | | | | | |
| **Non-Current Assets** | | | | | |
| Equipment | - | | - | | - |
| Exploration assets | 6,232,710 | 50,600,034 | 55,604,433 | 1,244,047 | 63,081,190 |
| Reclamation bonds | | 80,000 | 87,912 | | 87,912 |
| Right of use assets | | 79,004 | 86,818 | | 86,818 |
| **Total Non-Current Assets** | **6,232,710** | **50,759,038** | **55,779,163** | | **63,255,920** |



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| | | | | | |
|---|---|---|---|---|---|
| **Total Assets** | **8,479,704** | **54,740,606** | **60,154,512** | | **79,374,528** |
| | | | | | |
| **Current Liabilities** | | | | | |
| Accounts payable | 290,009 | 1,260,758 | 1,385,448 | | 1,675,457 |
| Related parties payables | | 224,394 | 246,587 | | 246,587 |
| Taxes payable | | 9,173 | 10,080 | | 10,080 |
| Flow through liability | | 53,369 | 58,647 | | 58,647 |
| Lease liability | | 34,555 | 37,973 | | 37,973 |
| **Total Current Liabilities** | **290,009** | **1,582,249** | **1,738,735** | | **2,028,744** |
| **Non-Current Liabilities** | | | | | |
| Lease liabilities | | 56,584 | 62,180 | | 62,180 |
| **Total Liabilities** | 290,009 | 1,638,833 | 1,800,915 | | **2,090,924** |
| **Net Assets** | **8,189,695** | **53,101,773** | **58,353,597** | | **77,283,604** |
| | | | | | |
| Share capital | 13,562,268 | 108,424,842 | 119,148,178 | (661,169) | 132,049,277 |
| Reserves | 2,515,068 | 11,257,510 | 12,370,890 | (2,515,068) | $12,370,890 |
| Accumulated losses | (8,427,218) | (66,580,579) | (73,165,471) | 14,456,127 | (67,136,563) |
| Non-controlling interests | 539,577 | | - | (539,577) | - |
| **Total Shareholders Equity** | **8,189,695** | **53,101,773** | **58,353,597** | **10,740,312** | **77,283,604** |

Adjustments:

1. From 31 October 2024 to 31 January 2025, which was the date of Commerce's first quarter unaudited financial results released to the market, Commerce has continued to incur expenses relating to the Ashram Project and general and administration costs which resulted in the cash balance reducing by $2,176,262 and an increase in exploration assets of $1,244,047 and accumulated losses of $932,215.
2. Mont Royal equity capital raising of $10,000,000 less capital raising fees of 6% being $600,000
3. Commerce will issue Convertible Notes that on completion of the Transaction will be converted in Mont Royal shares. This assumes the C$2,200,000 Convertible Note will be exchanged into AUD using an exchange rate of AUD/CAD of $0.91. Refer Appendix C for further details on the Convertible Notes.
4. Accrued interest of 20% on the Convertible Note will be converted in shares in Mont Royal upon completion of the Transaction.
5. Mont Royal will acquire 100% of the issued and outstanding shares of Commerce pursuant to the Arrangement Agreement, in exchange for the issuance of 108,302,216 Mont Royal Shares to the shareholders of Commerce, resulting in Commerce shareholders owning 85.7% of Mont Royal, before the conversion of



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Commerce's Convertible Note and Capital Raising. As a result, provisionally Commerce has been treated as the accounting acquirer and Mont Royal will be the legal acquirer. The reverse takeover nature of the Arrangement does not meet the definition of a business combination under IFRS 3 Business Combinations and accordingly will be accounted in accordance with IFRS 2, Share-based Payments with Commerce being the acquirer.
Commerce, as the accounting acquirer, does not recognize the book value of Mont Royal's share capital of A$13,562,268, accumulated losses of A$8,427,218, reserves A$2,515,068 and non-controlling interests A$539,577.

**Appendix E – Terms and conditions of ASX waivers and confirmations**

Mont Royal has applied to ASX for the following in-principle confirmations from ASX (amongst other matters) in connection with the Transaction. As at the date of this announcement, ASX is yet to provide its in-principle advice on these matters and Mont Royal notes that ASX has full discretion to require compliance with any applicable escrow restrictions or conditionality in connection with Mont Royal's proposed re-admission to ASX. Mont Royal proposes to update the market in respect of the ASX waivers and confirmations alongside finalisation of its Notice of Meeting in connection with the Transaction shareholder approvals.

- *Listing Rule 1.1 condition 7* – confirmation that the Company will satisfy the free float requirement;
- *Listing Rule 1.1 condition 8* – confirmation that ASX will:
    - not exclude Mont Royal's pre-existing shareholders and not exclude Commerce shareholders who become shareholders of Mont Royal on completion of the Transaction (in each case, to the extent that the Mont Royal Shares held by them meet the minimum A$2,000 value and they are non-affiliated securityholders);
    - not require some or all of Mont Royal security holders to be residents of Australia; and
    - for the purposes of satisfying the spread requirement for Mont Royal's re-compliance with Listing Rule 1.1 condition 8;
- *Listing Rule 1.1 conditions 10 and 11 and Listing Rule 9.1* – confirmation that:
    - the restrictions detailed in paragraphs 1, 2, 3, 4, 6, 7, 8 and 9 of Appendix 9B will not apply to Mont Royal's securities on issue on completion of the Transaction; and
    - Listing Rule 1.1 condition 11 does not apply in relation to the acquisition of Commerce pursuant to the Proposed, or, alternatively, that ASX is likely to grant a waiver from Listing Rule 1.1 conditions 10 and/or 11 and Listing Rule 9.1;
- *Listing Rule 2.1 condition 1, Listing Rule 2.5 condition 1 and Listing Rules 6.1 and 12.5* – confirmation that the terms and conditions of the Mont Royal Options which will be issued to holders of Commerce Warrants and Mont Royal's shareholders in connection with the Transaction are appropriate and equitable for the purposes of those Listing Rules and otherwise comply with Chapter 6 of the Listing Rules.

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