

MONT ROYAL COMPLETES TRANSFORMATIONAL MERGER WITH COMMERCE RESOURCES

MERGER BRINGS ONE OF NORTH AMERICA'S LARGEST RARE EARTH DEPOSITS TO THE ASX

HIGHLIGHTS

- ASX-listed Mont Royal Resources (ASX: MRZ) and TSXV-listed Commerce Resources (TSXV: CCE) have completed a merger by way of a Canadian statutory plan of arrangement, with Mont Royal acquiring 100% of the issued and outstanding common shares of Commerce.
- The merger has created a Canadian-focused critical metals company with a core focus on the 100%-owned Ashram Rare Earth and Fluorspar Deposit in Québec, Canada – one of the largest monazite-dominant carbonatite-hosted Rare Earth Elements (“REE”) deposits in North America.
- The Ashram Project offers a compelling opportunity for Mont Royal to complete studies as a precursor to establishing a new source of rare earths supply in North America at a time of rapidly growing demand and significant investor interest in potential new Western supply sources.
- Highly experienced rare earths executive Mr. Nicholas Holthouse has been appointed as Mont Royal's Managing Director and CEO, alongside experienced mining executives Mr. Cameron Henry as non-executive Chairman, and Mr. Adam Ritchie and Mr. Jeremy Robinson as non-executive Directors.
- Mr. Ronnie Beevor remains on the reconstituted Mont Royal board, while Mr. Gary Lawler steps down and Mr. Peter Ruse transitions to the role of Head of Corporate Development of the merged entity.
- Mont Royal has completed a strongly supported A\$10 million capital raising, ensuring the merged entity is well funded to progress development activities and strategic engagement to advance the Ashram Project. Mont Royal has also completed a share consolidation on a 0.2195-for-1 basis, with all options adjusted as per Listing Rule 7.22.
- Mont Royal shares are anticipated to re-commence trading on the ASX at the end of October following the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Mont Royal Resources Ltd (ASX: MRZ) is pleased to announce the successful completion of its merger with Commerce Resources Corp, first announced on 10 April 2025. The merger creates a Canadian-focused critical minerals developer to be dual listed on the Australian Securities Exchange (“ASX”) and the TSX Venture Exchange (“TSXV”).

The combined company will focus on advancing the world-class Ashram Rare Earths & Fluorspar Project, one of North America's largest monazite-hosted rare earth deposits. Following the appointment of a reconstituted board and development-focused leadership team, Mont Royal is ideally positioned to become a substantial new player in the global rare earths sector.

Mont Royal's newly appointed Managing Director, Nicholas Holthouse, said: *“The completion of this transaction represents an exceptional opportunity for both sets of shareholders, bringing a high quality but largely overlooked North American rare earths asset into the light. With a strong board and management team funding from the recent capital raising, we are ready to move Ashram rapidly towards development and unlock its enormous value for shareholders.*

“The Ashram Project is an advanced, high-quality asset with more than \$50 million already invested, a globally significant Resource, and initial development studies completed. Located in one of the world's premier mining regions, with strong Government support and access to significant local infrastructure, the Ashram Project stands out as a project of genuine global significance.

“The merger comes at a time of intense international focus on developing new rare earths supply chains outside of China. The Ashram Project’s scale, advanced status and strategic Canadian location make it a highly compelling opportunity to support North American critical minerals independence.”

Former Mont Royal Executive Director and new Head of Corporate Development, Peter Ruse, said:

“We are absolutely thrilled to complete this merger and launch a new, globally significant rare earths developer. The expanded Mont Royal team can now hit the ground running at the Ashram Project, leveraging the extensive work already completed to move rapidly into a Pre-Feasibility Study to commence unlocking significant value. development. I would like to thank our shareholders, advisers and the supportive broker syndicate for their exceptional support in achieving this milestone possible. I would also like to acknowledge the exceptional support and patience received from existing and new shareholders through the lengthy transaction and heavily oversubscribed capital raising.”

OVERVIEW

On 21 October 2025, Mont Royal acquired 100% of the issued and outstanding shares of Commerce Resources Corp. (“Commerce Shares”) by way of a court approved plan of arrangement under the Business Corporations Act (*British Columbia*) (“BCBCA”) (“Transaction”), finalising the integration of the two companies into a unified, dual-listed critical minerals company.

Under the terms of the definitive arrangement agreement dated 9 April 2025 (as amended on 29 July 2025) (“Agreement”), Commerce shareholders received 2.3271 new fully paid Mont Royal shares (“Consideration Shares”) for each Commerce share held (the “Exchange Ratio”) immediately prior to the effective time of the Transaction (“Effective Time”) on a pre-consolidation basis. Immediately after the Effective Time, all Mont Royal Shares were consolidated on the basis of 0.2195 post-consolidation Mont Royal Shares for each one (1) pre-consolidation Mont Royal Share (the “**Consolidation**”). Holders of outstanding Commerce stock options and warrants have been issued unquoted options in Mont Royal, adjusted to the Exchange Ratio and the Consolidation, and holders of outstanding Commerce performance share units have been issued performance rights in Mont Royal, adjusted to the Exchange Ratio and the Consolidation. The issued capital of Mont Royal following completion of the merger is set out below.

Additionally, the principal amount outstanding under the Commerce convertible notes (the “**Convertible Notes**”) issued pursuant to the convertible note financing completed by Commerce on May 12, 2025 (the “**Convertible Note Financing**”) automatically converted into Mont Royal Shares upon completion of the Transaction at a conversion price pursuant to their terms and on a post-Consolidation basis. The conversion of the interest accrued under the Convertible Notes into Mont Royal Shares will be subject to the prior approval of the TSXV.

It is anticipated that Mont Royal shares will be reinstated to trading on the Australian Securities Exchange (“ASX”) at the end of October 2025 and will commence trading on the TSXV under the ticker symbol MRZL.TSXV. Mont Royal will retain its primary listing on the ASX under the ticker symbol MRZ, ensuring strong market access for investors in both Australia and North America.

It is anticipated that Commerce shares will be de-listed from the TSXV at market close on or about 30 October 2025. All registered Commerce shareholders are encouraged to complete, sign and return the letter of transmittal, which has been previously mailed and is available under Commerce’s SEDAR+ profile at www.sedarplus.ca, with accompanying Commerce share certified and/or DRS advice-statement(s) if applicable to Odyssey as soon as possible, if they have not already done so.

Non-registered Commerce shareholders are encouraged to contact their broker or other intermediary for instructions and assistance in receiving the Mont Royal shares to which they are entitled.

For further information on the merger, please refer to Commerce’s management information circular dated 11 September 2025 filed under Commerce’s profile on SEDAR+ at www.sedarplus.ca.

MERGED BOARD & EXECUTIVES

Following completion of the Transaction, the board of Mont Royal has been reconstituted to ensure balanced representation and expertise, with strong leadership and extensive experience in the development of major resource projects.

Experienced rare earths executive **Mr Nicholas Holthouse** has been appointed as Mont Royal's new Managing Director and CEO. Mr Holthouse was appointed President & CEO of Commerce in June 2025 with the intention that he would be appointed Managing Director of Mont Royal at completion.

He brings 36 years of global mining leadership experience across operations, projects and corporate roles. He has extensive rare earths expertise, having served as CEO of Meteoric Resources (Caldeira Project, Brazil) and Chief Operating Officer of Hastings Technology Metals (Yangibana Project, WA). He has successfully driven resource growth, project studies, off-take agreements and permitting while building high-performing teams.

Mr Cameron Henry has been appointed as non-executive Chairman. He is the founding Managing Director of Primero Group Limited, an EPC engineering firm. With more than 20 years' experience in the development and delivery of global minerals processing, energy and infrastructure projects, he brings deep technical and commercial expertise. He is currently Managing Director of ASX-listed Green Technology Metals, leading the development of a vertically integrated lithium supply chain in Ontario, Canada. He was formerly a Non-Executive Director at RareX Ltd and was instrumental in developing Lynas Corporation's Mt Weld Rare Earths Project in Western Australia.

The rest of the reconstituted Mont Royal board comprises of:

- **Jeremy Robinson – Non-Executive Director**

A highly experienced resources executive with 20 years' experience, specialising in critical minerals including rare earths. He is the Principal and Founder of Churchill Strategic Investments Group, which has financed multiple junior explorers and developers across the ASX and TSX.

- **Ronnie Beevor – Non-Executive Director**

Over 40 years of investment banking and mining experience. He is the former Head of Investment Banking at Rothschild Australia and has held board roles with Atalaya Mining, Riversdale Resources, Talison Lithium, Bannerman Energy and Oxiana. He currently serves as Non-Executive Director of Champion Iron and Chairman of Felix Gold and Peel Mining Ltd.

- **Adam Ritchie – Non-Executive Director**

More than 20 years' experience in the resources industry with a strong background in project delivery. He has held senior roles with Pilbara Minerals, Fortescue Metals Group, Rio Tinto and BHP. Adam has a proven record of executing high-impact mining projects and holds a Bachelor of Engineering and a master's degree in Utility Engineering. He is currently Managing Director of Loyal Metals Limited.

Key executives in the merged group include:

- **Cindy Valence – VP Government Affairs & Sustainability** – Cindy leads ESG strategy, stakeholder relations and government affairs for Mont Royal. She has over 20 years' management experience in sustainable development and stakeholder engagement.
- **Peter Ruse – Head of Corporate Development** – a finance professional with 14 years' experience in equity funds management and institutional wealth management across the mining, minerals and industrial sectors.
- **Darren L. Smith – Technical Advisor** – a professional geologist with over 17 years' experience in mineral exploration. He holds BSc and MSc degrees in Geology from Carleton University and is a Senior Geologist/Manager at Dahrouge Geological Consulting.

- **Gavin Beer – Consulting Metallurgist** – a qualified metallurgist with 35 years of international experience across metallurgical, mineral and chemical processing industries in Australia, Asia, South America and Europe. Gavin is the founder of Met-Chem Consulting.

The Company advises that Mr Shaun Menezes has resigned as Company Secretary and Mr Joel Ives has been appointed as the Company Secretary and ASX contact person.

KEY ASSETS AND STRATEGY

The merged Company's flagship asset is the 100%-owned Ashram Rare Earths & Fluorspar Project ("Ashram Project"), which represents the largest undeveloped monazite-mineralised carbonatite-hosted Rare Earth Elements deposits in North America. In addition, the Company also holds the Eldor Niobium Project and the Northern Lights Lithium Project, both also located in Québec (see Figure 1 below).

The Ashram Project is a Tier-1 REE deposit with high-value by-product potential (Fluorspar) and represents one of the most advanced rare earth development projects in North America. With over A\$50 million invested historically in exploration, drilling, resource definition and development studies, Ashram represents a cornerstone asset in Canada's critical minerals push.



Figure 1: Ashram REE & Fluorspar Project Location and location of Northern Lights Project.

The Ashram Project contains a Mineral Resource Estimate ("MRE") as at 4 April 2024:

- **Indicated: 73.2Mt @ 1.89% Total Rare Earth Oxide (TREO) & 6.6% Fluorspar (CaF₂)**
- **Inferred: 131.1Mt @ 1.91% TREO & 4.0% CaF₂**

A cut-off of C\$287/tonne 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. Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.

The MRE was reported in Mont Royal's replacement prospectus dated 30 September 2025 ("Replacement Prospectus"). The Company confirms that it is not aware of any new information or data that materially affects the MRE and that all material assumptions and technical parameters underpinning the MRE continue to apply and have not materially changed.

The Ashram deposit has a high distribution of Neodymium and Praseodymium (NdPr)/TREO of ~21.1% (Indicated) and 21.4% (Inferred) – key rare earth elements that are essential for permanent magnet

production. The project has excellent mineralogy, with simple flotation producing a +35% TREO concentrate with 65% recovery. Hydrometallurgical recoveries of 95% have been achieved for light rare earth elements (“LREEs”) and 82% for heavy rare earth elements (“HREEs”), delivering a clean, marketable mixed rare earth carbonate (“MREC”).

Mont Royal is advancing a staged, lower-risk development plan for the Ashram Project:

1. **Stage 1:** Focus on mining, beneficiation and production of a high-grade flotation concentrate.
2. **Stage 2+:** Potential downstream development in hydrometallurgy, oxide separation and collaboration with industry partners to produce separated oxides, metals and magnets.

An updated Preliminary Economic Assessment (“PEA”) is underway to guide development, support government funding applications, and advance strategic partnerships and offtake discussions.

The Ashram Project also offers valuable by-product potential via a potential by-product fluorspar stream (metallurgical and acid grade) to supply North American markets. Fluorspar is a highly strategic mineral used in the production of steel, enriched uranium, aluminium and petroleum-based fuels.

CAPITAL RAISING & TSX-V LISTING

Mont Royal lodged a replacement Prospectus with ASIC on 30 September 2025 with respect to an offer to raise A\$8 million and up to A\$10 million (before costs) by the issue of between 40.0 million and no more than 50.0 million new fully paid ordinary shares on a post-consolidation basis at an issue price of A\$0.20 per share.

The Public offer closed at 5.00pm on Monday 13 October 2025, with Mont Royal successfully receiving valid applications to raise the full amount of A\$10.0 million (before costs) to advance its projects and support its re-compliance with Chapters 1 and 2 of the ASX Listing Rules with settlement expected to occur during Wednesday, 22 October 2025.

CONSOLIDATION OF CAPITAL

With the completion of the merger, Mont Royal’s share register has been updated pursuant to the consolidation of capital as outlined in the replacement Prospectus dated 30 September 2025 and as approved by shareholders at the EGM held on Friday, 10 October 2025.

The effective date of the consolidation was Thursday 16 October 2025 and the record date for the consolidation is Tuesday 21 October 2025. Following completion of the Transaction and Consolidation with the capital raising expected to settle today, the issued capital of Mont Royal is set out below:

Pro Forma Capital Structure	Securities
Existing Mont Royal shares on issue	18,664,194
Shared issued pursuant to the acquisition of Commerce	108,341,128
Shares issued upon conversion of convertible notes	11,739,009
Shares issued under the Capital Raising ¹	50,000,000
Pro forma shares on issue	188,744,331
Options (exercisable at various dates and prices)	92,092,310
Performance rights	12,259,382

¹ The Company notes that the Settlement has occurred and share issue will complete on 23 October 2025.

For and on behalf of the Board

ENDS

Joel Ives | Company Secretary

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Mont Royal Resources

Mont Royal Resources Limited (ASX: MRZ,TSXV:MRZL) is a critical minerals development and exploration company with projects in Quebec, Canada. The Company is dedicated to advancing its 100%-owned Ashram Rare Earth and Fluorspar Deposit in Québec, Canada – one of the largest monazite-dominant carbonatite-hosted Rare Earth Elements deposits in North America. In addition company owns 75% of Northern Lights Minerals 536km² 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, 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

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. These forward looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information. Risks that could change or prevent these events, activities or developments from coming to fruition include: actual results of current and future exploration activities; that Mont Royal may not be able to fully finance any additional exploration on the Ashram Project; that even if Mont Royal is able raise capital, costs for exploration activities may increase such that Mont Royal may not have sufficient funds to pay for such exploration or processing activities; the timing and content of the proposed drill program and any future work programs may not be completed as proposed or at all; geological interpretations based on drilling that may change with more detailed information; potential process methods and mineral recoveries assumptions based on limited test work and by comparison to what are considered analogous deposits that, with further test work, may not be comparable; testing of our process may not prove successful or samples derived from the Ashram Project may not yield positive results, and even if such tests are successful or initial sample results are positive, the economic and other outcomes may not be as expected; the anticipated market demand for rare

earth elements and other minerals may not be as expected; the availability of labour and equipment to undertake future exploration work and testing activities; geopolitical risks which may result in market and economic instability; and despite the current expected viability of the Ashram Project, conditions changing such that even if metals or minerals are discovered on the Ashram Project, the project may not be commercially viable, or other risks detailed herein and from time to time in the public filings made by Mont Royal. Although Mont Royal has attempted to identify important factors that could cause actual actions, events or results to differ from those described in forward-looking statements, there may be other factors that cause such actions, events or results to differ materially from those anticipated. These forward-looking statements are based on Mont Royal's current expectations, estimates, forecasts and projections about its business and the industry in which it operates and management's beliefs and assumptions, including the non-occurrence of the risks and uncertainties that are described above and in the public filings made by Mont Royal or other events occurring outside of our normal course of business, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond Mont Royal's control.

Forward looking statements in this announcement include, but are not limited to, statements regarding the proposed benefits derived from the Transaction; the goals, strategies, opportunities, technologies used, project timelines and funding requirements; impact of combined management expertise and prospective shareholding; the proposed use of proceeds of the Mont Royal Equity Raise; the expectation that the Commerce Shares will be delisted from the TSXV; the expectation that TSXV approval will be obtained for the issuance of MRZ Shares for the interest accrued under the Convertible Notes; the expectation that the Mont Royal Shares will be dual-listed on the ASX and TSXV; the plans, operations and prospects of Mont Royal and its properties; the continued advancement of the Ashram Project to development; that Ashram's 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; that Mont Royal is positioning to be one of the lowest cost rare earth element producers globally, with a focus on being a long-term global supplier of mixed rare earth carbonate and/or NdPr oxide; and that Mont Royal may explore the potential of other high-value commodities on the Ashram Property and the expected timetable for dual listing of Mont Royal's shares; 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.

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 their respective related bodies corporate and affiliates and their respective directors, officers, employees, advisers, 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 or the subject matter of this announcement), create an implication that there has been no change in the affairs of Mont Royal since the date of this announcement.

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 the impact that different future outcomes may have on Mont Royal. 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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