

## New Frontier Minerals (ASX: NFM): Transformational Rare Earth Acquisition and U.S. Exposure

Initiation Price (Oct 2025): A\$0.017

Current Price: A\$0.017

Price Target: A\$0.075

Rating: Speculative Buy

### NFM Announcement

#### Investment view:

We continue to view NFM as a leveraged critical minerals optionality play, now significantly strengthened by the addition of a North American REE-Nb carbonatite asset (Pomme) and improved access to U.S. capital via OTCQB. Recent announcements materially increase NFM's strategic relevance and potential valuation support.

#### What's new and why it matters

##### 1) Pomme acquisition adds North American scale + jurisdictional premium

NFM has moved to secure the Pomme REE-Nb carbonatite project in Québec, a Tier-1 mining jurisdiction with established infrastructure and low-cost power. Pomme is strategically located ~7 km from Geomega Resources' Montviel project (TSXV: GMA), a standout regional benchmark with a defined resource of ~266 Mt @ ~1.45% TREO plus niobium credits (~0.14% Nb<sub>2</sub>O<sub>5</sub>).

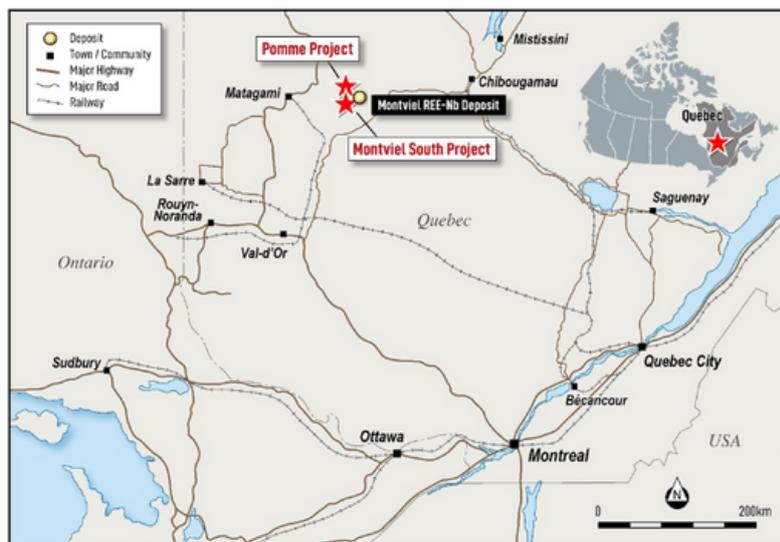
Historical work at Pomme supports the "large-system" thesis. Public reporting from prior operators highlights very broad mineralised intervals, including POM-23-03: 398m @ 0.54% TREO + 0.05% Nb<sub>2</sub>O<sub>5</sub> (from 16m) with higher-grade internal zones, illustrating the continuity typical of carbonatite systems.

The project footprint is also meaningful at an early stage: 43 claims (~2,400 ha).

##### 2) U.S. capital access: OTCQB listing is a genuine unlock

NFM has also commenced trading on the OTCQB market in the U.S. (ticker: NFMXF), improving its visibility and access to North American capital. This secondary listing is expected to expand the investor pool and enhance liquidity by tapping into the materially larger U.S. market. Notably, it aligns with growing U.S. investor focus on critical minerals projects in stable, non-Chinese jurisdictions. "Jurisdiction quality" and supply chain security have become key investment themes, and NFM's portfolio, now led by a major Québec rare earth project, squarely fits this narrative.

The OTCQB platform lowers barriers for U.S. institutional and retail investors to take positions in NFM, supporting the company's ability to attract funding and interest amid heightened demand for North American critical minerals exposure.



Source: NFM Announcement

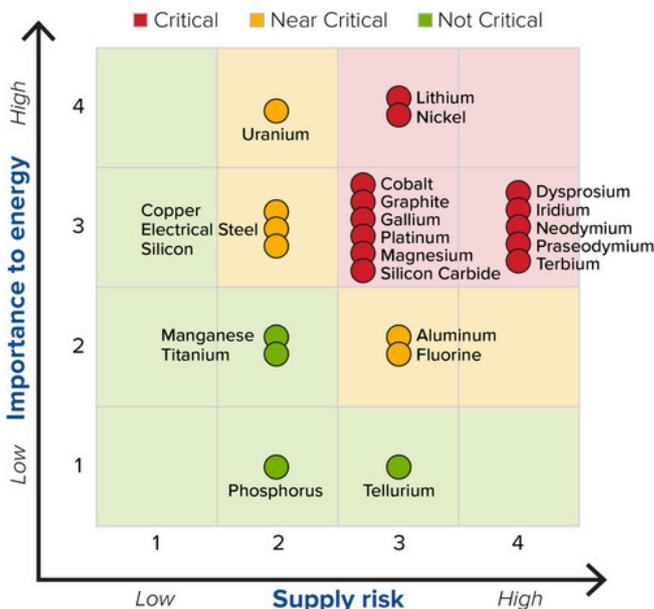
**Macro Lens:**

Critical minerals and rare earths are increasingly central to US and Australian industrial policy, driven by defence requirements, electrification, and the push to secure Western-aligned supply chains. The US is actively incentivising domestic and allied sourcing of critical minerals, particularly magnet rare earths, while Australia is positioning itself not just as a miner, but as a strategic processing partner within this emerging corridor. Against this backdrop, NFM’s portfolio spanning Australia (Harts Range heavy rare earths) and Canada (Pomme carbonatite REE project) places it directly within the US–Australia critical minerals framework. With exposure to both heavy and light rare earth systems in stable jurisdictions, and a technology partnership aimed at downstream upgrading, NFM is aligned with the broader geopolitical shift toward diversified, Western-controlled rare earth supply chains.



**Medium-Term Supply Chain Risk for Critical Minerals**

**MEDIUM TERM 2025-2035**



Source: U.S. Department of Energy (2025)

**US Critical Minerals Policy**

The strategic timing of NFM's OTCQB listing coincides with heightened US government focus on critical minerals supply chain resilience. Recent developments include:

- Trump’s \$12B “Project Vault” to stockpile critical minerals and reduce reliance on China
- Department of Commerce US\$1.4 billion public-private partnership with Vulcan Elements/ReElement for neodymium-iron-boron magnet production (October 2025)
- Department of Defense conditional loans up to US\$700 million for facilities targeting 10,000 metric tons annual rare earth output
- Department of Energy US\$28 million in investments for REE and critical mineral processing projects
- Trump administration strategic minerals security reassessment identifying rare earths as national security vulnerability

These policy initiatives create favourable conditions for Western-aligned REE developers to attract US institutional capital focused on supply chain security and domestic sourcing themes.

**Metallium Partnership & Downstream Integration:**

Metallium Ltd, the current Pomme option holder and a pioneer in next-generation rare earth processing, will remain a 10% JV partner and NFM’s dedicated technology partner. This builds on the strategic alliance formed in November 2025, under which Metallium secured an exclusive 10-year framework to apply its proprietary Flash Joule Heating (FJH) technology to NFM’s projects.

FJH has already demonstrated transformative potential at Harts Range, delivering a ~20x upgrade in TREO grade (1.7% to 35%) in a single solvent-free step, while significantly enriching high-value dysprosium and terbium. The process produced a high-grade mixed REE concentrate with near-total impurity removal - a breakthrough result for heavy rare earth ore.

By embedding Metallium into the Pomme JV from the outset, NFM integrates advanced beneficiation capability directly into its development pathway. With access to Metallium’s Texas processing facility and downstream expertise, Pomme is positioned not only as a large carbonatite system in Québec, but as a project aligned with emerging Western rare earth supply chains and accelerated commercialisation potential.

### Capital-Efficient Earn-In Structure

The Pomme option is deliberately low-cost and staged, requiring just A\$100,000 cash and A\$200,000 in shares upfront, plus A\$100,000 per year during the two-year option period.

NFM can earn up to 90% ownership through milestone-based investment, preserving treasury strength and limiting dilution, while Metallium retains a 10% aligned interest.

Crucially, capital is directed into exploration and metallurgy, where value is created, rather than upfront acquisition costs, providing a disciplined and capital-efficient pathway to scale.

<b>Upfront Consideration</b>	A\$100,000 cash + A\$200,000 NFM shares
<b>Option Period</b>	2 years with minimum A\$100,000 p.a. expenditure
<b>Earn-In to 90%</b>	Via staged technical and investment milestones
<b>Vendor Interest</b>	10% free-carried to DFS If diluted below 10%, converts to 1.5% NSR royalty on material processed through Metallium FJH facility
<b>Technology Rights</b>	Metallium retains FJH technology ownership; potential separate license agreement with per-tonne fees, annual fees, and royalties

### Peer comps: what the market pays for “scale + Western alignment”

To frame New Frontier Minerals’ (NFM) positioning following its binding option to earn up to 90% of the Pomme REE–Nb carbonatite project in Québec, we compare the company to two rare earth peers operating large carbonatite systems in strategic Western jurisdictions.

**Critical Metals Corp (NASDAQ: CRML)** has an approximate market capitalisation of US\$1.3 billion and has delivered strong 12-month share price performance (+73%). Its flagship Tanbreez Project in Greenland hosts a reported resource of ~45 Mt grading ~0.38–0.40% TREO, with roughly 26–27% heavy rare earth oxides (HREO), supporting its premium valuation as a large-scale, heavy-REE weighted development story.

**Eclipse Metals (ASX: EPM)** has a market capitalisation of approximately A\$69 million and has experienced a significant 12-month re-rating (+280%). Its Grønnedal (Ivigtût) carbonatite project in Greenland hosts an inferred resource of ~89 Mt at ~0.64% TREO (~568kt contained TREO), positioning it as an emerging junior REE developer.

Against this backdrop, NFM’s exposure to the large Pomme carbonatite system, located 7km from the world-class Montviel deposit and supported by existing infrastructure in Québec, provides leverage to scale in a comparable geological setting. While earlier stage than CRML and without a defined resource at Pomme, NFM trades at a fraction of peer valuations, suggesting potential upside should exploration success and metallurgical validation support resource delineation and project advancement.

## Conclusion

NFM's binding option on Pomme REE-Nb project represents a bold strategic move that could ultimately redefine the company's value proposition.

Management has proven adept at executing a growth strategy that is both aggressive and shareholder-friendly, securing high-impact assets on favourable terms and leveraging partnerships to punch above the company's weight. With drilling at Harts Range hitting full stride and Pomme offering a second front for discovery, NFM is poised at the forefront of the next wave of Western critical minerals success stories.

The coming quarters will be telling, but we are encouraged by the convergence of factors in NFM's favour: scale, diversity, technology, and market positioning. We reaffirm our **A\$0.075 price target** and Speculative Buy rating, confident that the pieces are in place for NFM to deliver significant shareholder value on the back of these developments. As always, investors should monitor the news flow closely, in NFM's case, the news flow could very well be transformational.

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## Disclosure:

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