July 2, 2026

Maronan Metals

Developing Silver-Lead in NW Queensland

EMERGING COMPANY

SPECULATIVE BUY (initiation)

Stock code:	MMA AU
Price:	A$0.425
12-month target price:	A$0.66
Previous target price:	A$N/A
Up/downside to target price:	55.3%
Dividend yield:	0.0%
12-month TSR*:	55.3%
Market cap:	A$134m
Average daily turnover:	0.45m
Index inclusion:	N/A

** Total stock return – Up/downside to target price + 12-month forward dividend yield.*

Price performance

(%)	1M	3M	12M	3Y
Absolute	7.6	37.1	88.9	88.9
Rel ASX/S&P200	7.7	36.5	86.8	67.8

Source: IRESS

- The wholly-owned Maronan Mineral Development Lease (MDL 2028) was approved in September 2025, after the Preliminary Economic Assessment (PEA) evaluated a 10-year underground mine life based on 22% of the total resource.
- The resource to JORC Code (2012) standards contains 122Moz silver, 2Mt lead, 271kt copper and 0.76Moz gold, with yearly production 5.4Moz silver equivalent (AgEq) at an all-in sustaining cost (AISC) of A$30.18/oz (~US$20/oz) AgEq.
- While the PEA is robust, MMA is yet to deliver a feasibility study, secure development finance, receive grant of a Mining Lease, and commence the path from construction to production. With 40-45% exposure to silver and 20-25% to lead, commodity prices are also the key to the level of profitability.
- We initiate coverage of MMA with an A$0.66 target price and SPECULATIVE BUY recommendation.

Strategic investment & *in specie* distribution:

- MMA announced a placement of 62.8M shares (19.99% of MMA) to a Kinterra Capital Corp. fund at A$0.35080 per share to raise A$22M, and take MMA's cash to A$36.6M. This will fund the preliminary feasibility study (PFS) including a box cut and decline into the deposit for geotechnical and metallurgical optimisation.
- Red Metal (ASX:RML), which held 35.2% of the shares in MMA, has distributed the 73.1M shares it held to eligible RML shareholders.

Analysis:

- Maronan is in Northwest Queensland, hosting established mines including Mount Isa, Cannington, Ernest Henry, Dugald River, and Eloise, with mining support services at Mount Isa and Cloncurry. With the MDL granted, we see little administrative risk in the subsequent issue of the mining title, with access to a skilled workforce, or logistical issues.
- MMA is funded through to completion of the preliminary feasibility study (PFS), with work to include a drill program from surface to better define and evaluate the *Starter Zone* mineralisation to be evaluated for the feasibility study at 2Mtpy of ore.

Forecast and valuation update:

- Maronan's PEA generated a Net Present Value of A$377M using a silver price of US$36/oz, an 8% discount rate, and an AUD/USD exchange rate of 0.67 to give a **value of A$1.50 per MMA share** on current issued capital.
- We initiate our assessment using an 18% discount rate, a long-term silver price of US$55/oz, an AUD/USD exchange rate of 0.70, and an extended commissioning period to generate a **valuation of A$0.98ps, discounted by 33% for our Target Price of A$0.66ps**. Spot silver is currently US$58/oz.

Investment view:

- The *Starter Zone* assessed by the robust PEA represents only 22% of the Ag-Pb and <10% of the Cu-Au resources. The projected AISC was A$30.18/oz AgEq. The capital cost was estimated at A$266M (+/-35%) with payback over 2 years of production, using a conservative silver price (US$36/oz Ag cf Spot US$58/oz).

Price catalysts:

- While MMA is yet to make the final investment decision (FID) for Maronan, our expectation is that the current drill program will confirm or enhance the metrics for mining and processing and should prove a price catalyst.
- Firming of the silver price at current levels and/or further strength could be expected to be a share price catalyst.

Risks:

- Projected revenue is dominated by silver, and a weak silver price could negatively affect the share price, and, conversely, silver price strength could prove positive. Our projected price is 50% of the current Spot price.
- The broader market sentiment to junior resource stocks, resource stocks and the general ASX could provide share price risk, both positive and negative.

Chris Brown

+61 7 3334 4885

chris.brown@morgans.com.au

Analyst(s) own shares in the following stocks mentioned in this report:

– Maronan Metals

Important disclosures regarding companies that are the subject of this report and an explanation of recommendations can be found at the end of this document. Morgans Financial Limited (ABN 49 010 669 726) AFSL 235410 - a participant of ASX Group.

Maronan Metals

SPECULATIVE BUY — **as at July 2, 2026**

Price (A$):	0.425	12-month target price (A$):	0.66
Market cap (A$m):	134	Up/downside to target price (%):	55.3
Free float (%):	51	Dividend yield (%):	0.0
Index inclusion:	N/A	12-month TSR (%):	55.3

MMA's wholly-owned Maronan deposit in north west Queensland contains a resource to JORC Code (2012) standards containing 122Moz silver, 2Mt lead, 271kt copper and 0.76Moz gold. The preliminary economic assessment (PEA), released September 2025 evaluated an A$266M development with an underground mine operating for 10 years from a starter resource of less than 25% of the defined resource. Both the silver-lead resource and the copper-gold resource are open at depth, offering potential for an increased production rate and/or a longer mine life . Production costs are estimated at an all-in sustaining cost (AISC) of A$30.18/oz silver.

Maronan Silver-Lead Resource

Silver-Lead Sulphide Resources JORC 2012 (at >3% Lead Cut-off)	Tonnes (Mt)	Grade Lead %	Grade Silver g/t	Contained Lead (t)	Contained Silver (Million Oz)
Starter Zone Indicated	5,3	5.2	116	275,000	19.6
Starter Zone Inferred	6,9	4.8	109	335,000	24.2
Starter Zone Indicated + Inferred	12,2	5.0	112	610,000	43.8
Outside Starter Zone Inferred	21,0	6.5	106	1,370,000	70.9
Global Indicated + Inferred	33,1	6.0	108	1,970,000	114.5

Source: Maronan Metals PEA September 2025

Maronan Copper-Gold Resource

Mineralisation Types >0.4% Copper Cut-off	Tonnes Mt	Copper Grade %	Gold Grade g/t	Grade Silver g/t	Contained Copper (t)	Contained Gold (Oz's)	Contained Silver (Million Oz)
Leached Inf+Ind	1.1	0.79	0.71	9	9,000	26,000	0.3
Transitional Inf+Ind	2.3	0.63	0.45	7	14,000	33,000	0.5
Fresh Inf+Ind	28.6	0.87	0.64	7	248,000	591,000	6.6
Total	32	0.85	0.63	7	271,000	649,000	7.4

Source: Maronan Metals PEA September 2025

Maronan PEA - Production & CapEx

	Unit of Measure	On Site Processing	Toll Treating
Annual Production (in concentrate, steady state)			
Silver (Ag)	Moz Eq	5.4	5.4
Silver (Ag)	Moz	3.0	3.0
Lead (Pb)	Kt	37.7	37.7
Copper (Cu)	Kt	1.4	1.4
Gold (Au)	koz	3.8	3.8
Life of Mine	years	10	10
Pre-Production Capex	AUD M	$266	$98

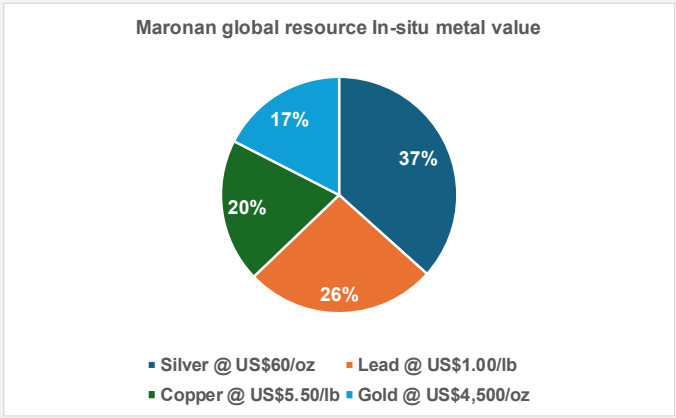
Source: Maronan Metals PEA September 2025

Maronan PEA - Operating costs

Cost Area		Co
Mining Costs	$/t	$78
Processing Costs	$/t	$26.
Administration Operating Costs	$/t	$14
Offsite Costs	$/t	$15.
Total Operating Costs	$/t	$144.
QLD Royalty	$/t	$12.
Sustaining Capital	$/t	$5.

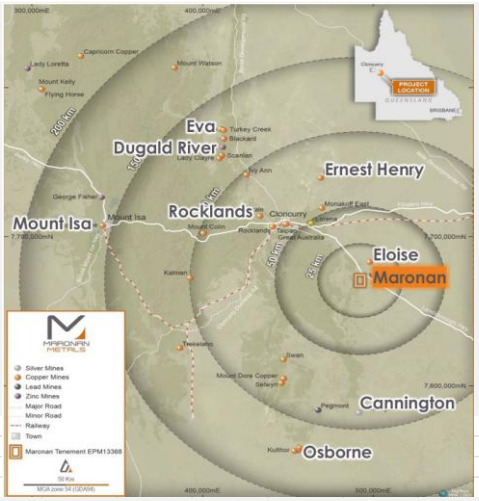
Source: Maronan Metals PEA September 2025

Maronan Global Resource



Source: Morgans, Maronan Metals - Presentation March 2026

Maronan & NW Queensland



Source: Maronan Metals - Presentation March 2026

Bull points

The Maronan deposit contains a resource to JORC Code (2012) standards containing 122Moz silver, 2Mt lead, 271kt copper and 0.76Moz gold to support a 10-year underground operation. The preliminary economic assessment (PEA), released September 2025 producing at an all-in sustaining cost (AISC) of A$30.18/oz silver.

Mineral Development Lease (No 2028) is approved, after the PEA evaluated an A$266M development operating for 10 years from a starter resource of less than 25% of the defined resource, with both the silver-lead resource and the copper-gold resource open at depth, offeing potential for increased production and a longer mine life.

Maronan is located in northwest Queensland, a Tier 1 mining jurisdiction hosting the operating Mount Isa, Ernest Henry, Eloise and Dugald River mines. It is 65km from Cloncurry, 5km from the sealed Landsborough Highway, and has development optionality, with either a stand-alone process plant, or toll treatment through an existing plant.

Bear points

The definitive feasibility study (DFS) and the final investment decision (FID) for Maronan are yet to be made, with the purppose-built mill and toll-treatment decision yet to be made.

While a Mineral Development Lease is granted, environmental approvals and a Mining Lease are required for operations, The funding of development - equity, conventional debt, and mezzainine, vendor and/or offtaker finance - is yet to be designed or achieved.

Operational risk lies with the cost and timeliness of construction, once approved, and with commissioning and ramp-up of operations, including mining operations, processing and product quality.

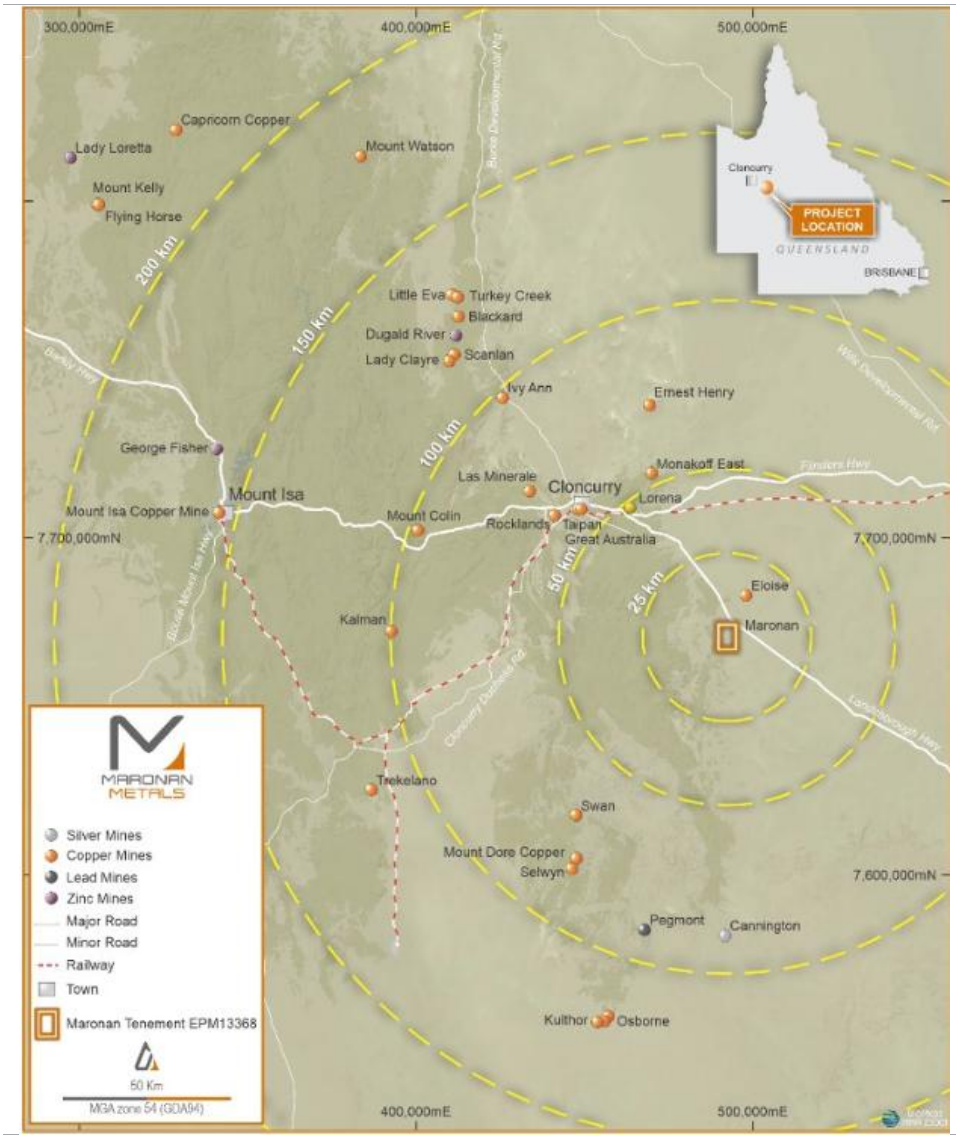
In steady-state operation the silver price is the largest risk, along with the AUD/USD exchange rate, with the commodties sold in US dollars. Costs will be largely in Aussie dollars and US dollars, with some consummabbles priced in US dollars

Maronan – Silver-Lead in NWQ

NW Queensland, a mineral province

The Maronan polymetallic silver-lead and copper-gold project lies in the Northwest Queensland minerals province, which hosts large lead-zinc-silver mines including Mount Isa, George Fisher, Cannington, and Dugald River, and significant copper deposits including Mount Isa, Ernest Henry, Osborne and Eloise. Maronan is located 65 kilometres south of the regional centre of Cloncurry.

Figure 1: Maronan and the Northwest Queensland mineral province



Source: Maronan Metals Annual Report, September 2025

In September 2025 MMA delivered a robust preliminary economic assessment (PEA) into a 1.2Mtpy underground mine accessing only 22% of the global resource, which contains 122Moz silver, 2Mt lead, 271kt copper, and 760koz gold. This proposed 10-year operation was to produce 3.0Moz silver, 37.7kt lead, 1.4kt copper and 3.8koz gold per year at an average A$30.18/oz silver equivalent (with payable co-metals converted to silver by value – AgEq). The PEA evaluated an A$266M development with a stand-alone process plant, and an A$98M toll-treating option with a projected average cost of A$36.43/oz AgEq.

While the granted Mineral Development Lease gives MMA the option to develop a box cut and exploration decline, with the support of major shareholder Kinterra MMA has elected to undertake a 40,000m surface drill program expected to increase the Indicated Resource beyond the current Starter Zone to a larger

2Mtpy underground mine to better inform the feasibility study due in the September Quarter 2027.

Maronan Silver-Lead-Copper-Gold

In March 2026 Maronan Metals announced that Mineral Development Licence 2028 (MDL 2028) had issued over the Maronan deposit and proposed infrastructure within the wholly-owned EPM13368. The title issued subject to the mining and environmental approvals and Native Title agreements, after delivery of the PEA. It enables MMA to excavate a box cut and drive a decline for bulk sampling of the deposit to optimise the process route design, and to accelerate the conversion of resources to reserves with underground drilling. An alternate accelerated 40,000m surface drill program is expected to deliver a comparable resource upgrade and support design of a 2Mtpa underground mining operation.

The Maronan deposit has been subject to numerous campaigns of drilling since its discovery in the mid-1980s. A total of 74,000 metres has been drilled to date. The majority is diamond drilling (68,556 m) with MMA completing 30,842 metres since 2022.

There are two main silver-lead ore types recognised at Maronan, one containing a calcite-minor garnet gangue and another containing pyroxene-minor garnet gangue. Copper-gold mineralisation at Maronan is very similar to the nearby Eloise and Jericho deposits which are classified as iron sulphide copper gold (ISCG) deposits. The copper-gold mineralisation occurs within a zone of strong silica alteration, post-dating the silica alteration. The copper mineralisation has been divided into three domains according to the copper specie present: (1) weathered material, which mainly contains native copper; (2) transitional, which contains chalcocite, bornite or covellite as the main copper species, and (3) primary, where only chalcopyrite is present.

Figure 2: Maronan Global Resource

Silver-Lead Sulphide Resources	Tonnes	Grade	Grade	Contained Lead	Contained Silver
JORC 2012	Mt	Lead	Silver	Tonnes	Million Oz
(at >3% Lead Cut-off)		%	g/t		
Starter Zone Indicated	5.3	5.2	116	275,000	19.6
Starter Zone Inferred	6.9	4.8	109	335,000	24.2
Starter Zone Indicated + Inferred	**12.2**	**5.0**	**112**	**610,000**	**43.8**
Outside Starter Zone Inferred	21.0	6.5	106	1,370,000	70.9
Global Indicated plus Inferred	**33.1**	**6.0**	**108**	**1,970,000**	**114.5**

Global Copper-Gold Resource Mineralisation Types >0.4% Copper Cut-off	Tonnes Mt	Grade Copper	Grade Gold	Grade Silver	Contained Copper	Contained Gold	Contained Silver
		%	g/t	g/t	tonnes	Oz	Million Oz
Leached Inf+Ind	1.1	0.79	0.71	9	9,000	26,000	0.3
Transitional Inf+Ind	2.3	0.63	0.45	7	14,000	33,000	0.5
Fresh Inf+Ind	28.6	0.87	0.64	7	248,000	591,000	6.6
Total	**32.0**	**0.85**	**0.63**	**7**	**271,000**	**649,000**	**7.4**

Gold-Only >1g/t Gold Cut-off	Tonnes Mt	Grade Gold	Contained Gold
JORC 2012		g/t	Oz
Inferred (Fresh)	**1.8**	**1.24**	**72,000**

Source: Maronan Metals – ASX Release February 2026

The 2025 Preliminary Economic Assessment

The study evaluated an underground mine accessed by a single decline to extract the ore using conventional longhole open stoping methods with a nominal 25m lift, with and without paste fill, at a mine production rate of 1.2Mtpy. The study assessed two alternatives:
(1) an **A$98M capital cost development** with toll treatment of ore through an existing plant, and an all-in sustaining cost (AISC) of A$36.43/oz AgEq, and
(2) an **A$266.3M capital cost development** including construction of a process plant with a capacity of 1.1-1.2Mtpy on site, projected to deliver a lower AISC of A$30.18/oz AgEq.

Mining cost per tonne of ore mined was estimated at A$78.10/t ore in the PEA. The estimated operating cost for the process plant running at full production was A$26.62 per tonne of ore treated. Administration and offsite costs were projected at A$29.61/t, taking **total operating costs to A$144.33/t ore**. This included projected labour costs of A$10.07/t, and power at an assumed A$0.35/kWh of A$8.97/t ore in the process plant. Sustaining capital was projected at A$5.36/t. Production is subject to a Queensland state government net smelter return royalty of 5%.

The PEA used the commodity prices listed below in order of significance:
Silver – US$36.00/oz – Spot US$77.00/oz **(up 114%)**
Lead – US$0.95/lb – Spot US$1.00/lb (up 5%)
Copper - US$4.54/lb - Spot US$6.42/lb (up 41%)
Gold – US$3,000/oz - Spot US$4,515/oz (up 50%)

Figure 3: LOM Payable Metal at PEA price assumptions

		Recovered Metal	Payable Metal	Revenue	Revenue %
Silver	Oz's	22,728,776	20,743,5511	$ 1,159,897,306	53%
Lead	Tonnes	284,691	257,707	$ 847,699,123	39%
Copper	Tonnes	5,778	4,586	$ 82,782,273	4%
Gold	Oz's	34,055	9,422	$ 102,986,885	4%
Total				**$ 2,193,365,587**	

Source: Maronan Metals – ASX Release September 2025

Silver

The bulk of world Silver production, estimated at 70-75%, is as a by-product of copper, gold, lead, and zinc mining. The bulk of demand for Silver is for industrial use. It is estimated that approximately one third of supply is used in electrical and electronic items, photovoltaics - a typical solar panel contains 20g of silver, and justifies recycling, with a grade higher than most mined ores – and solder. Approximately one third of supply is used in coins, medals, jewellery and silverware. To the extent that this is for investment, Silver is in part comparable with gold. Below is the 1-Year price chart for Silver. The price has lifted from US$25-30/oz, reaching a peak of US$103/oz, before weakening below US$60/oz.

Figure 4: The Silver price over 1 Year– US$/oz

Source: https://tradingeconomics.com/commodity/silver

With Silver at its peak, Gold was at US$5,420/oz, with a Gold:Silver price ratio of 53. As I write this, the Gold:Silver ratio is 69, which is broadly in line with historical

ratios, which have trended between 45 and 100, commonly in the 60-70 range. Gold at US$4,000/oz would imply a range between US$40/oz and US$70/oz. Our Valuation uses a Silver price of US$55/oz, while MMA's PEA used US$36/oz.

Valuation

The preliminary economic assessment was reported in September 2025 using the commodity prices noted above. The accuracy was projected at + or - 35%. The company used an 8% discount rate to determine a pre-tax net present value of A$377m – **A$1.50 per MMA share based on current issued capital**. This assumed a 2-year construction period, with payback after 2 years of operations. We have allowed for a longer period to commissioning, and a slower production ramp-up. We also use an 18% discount rate to generate a **Valuation of A$0.98ps**. **Our Target Price is A$0.66ps**, discounted by an arbitrary 33%, ahead of the grant of the Mining Licence and firming of the project metrics with the definitive feasibility study (DFS).

Risks

Maronan Metals is focused on the Maronan Silver-Lead-Gold-Copper polymetallic, but silver dominant project in NW Queensland. It has no operating mines, and no cashflow from operations. After Kinterra Capital has taken a 19.99% holding through a placement of shares, MMA reports A$36.6M in cash. MMA reports this provides "*the funding it requires to progress and derisk the Maronan Project, unlocking significant value for Maronan shareholders.*" (MMA announcement 20 May 2026).

At this point we would expect MMA to move to the DFS, ahead of the final investment decision (FID). Funding of development could incorporate a sell-down of direct equity in the Maronan project, funding from off-takers or marketers, mezzanine and conventional debt finance, a royalty or streaming option, and a requirement for further equity, or all of the above. The question for equity investors is: how will the share price move, as the Maronan project moves through the regulatory approvals process?

The definitive feasibility study is yet to be delivered for the Maronan development. As with all mining operations, value, and investor sentiment, will be determined by movement in the relevant commodity prices and exchange rates. Ongoing community support is also critical to further development approvals and ongoing operations.

Scan here for a full list of our branches.
1800 777 946
info@morgans.com.au

Scan here to explore the stocks under coverage of our award-winning in-house research team.

Scan here for research coverage policy, research independence statement & recommendation structure.

Scan here for a glossary of terms used in Morgans research.

Morgans Financial Limited ABN 49 010 669 726 AFSL 235410. Level 29, 123 Eagle Street, Brisbane, QLD 4000 Australia. A Participant of ASX Group. Personal Information held by Morgans Financial Limited may have been used to enable you to receive this communication. If you do not wish your personal information to be used for this purpose in the future please contact us, either at your local Branch or to GPO Box 202, Brisbane, Qld 4001. Our privacy policy is available online at morgans.com.au.

If you no longer wish to receive Morgans publications, please contact your local Morgans branch or write to GPO Box 202 Brisbane QLD 4001 and include your account details.

Disclaimer: The information contained in this report is provided to you by Morgans Financial Limited as general advice only, and is made without consideration of an individual's relevant personal circumstances. Morgans Financial Limited ABN 49 010 669 726, its related bodies corporate, directors and officers, employees, authorised representatives and agents ("Morgans") do not accept any liability for any loss or damage arising from or in connection with any action taken or not taken on the basis of information contained in this report, or for any errors or omissions contained within. It is recommended that any persons who wish to act upon this report consult with their Morgans investment adviser before doing so. Those acting upon such information without advice do so entirely at their own risk.

This report was prepared as private communication to clients of Morgans and is not intended for public circulation, publication or for use by any third party. The contents of this report may not be reproduced in whole or in part without the prior written consent of Morgans. While this report is based on information from sources which Morgans believes are reliable, its accuracy and completeness cannot be guaranteed. Any opinions expressed reflect Morgans judgement at this date and are subject to change. Morgans is under no obligation to provide revised assessments in the event of changed circumstances. This report does not constitute an offer or invitation to purchase any securities and should not be relied upon in connection with any contract or commitment whatsoever.

In Hong Kong, research is issued and distributed by Morgans (Hong Kong) Limited, which is licensed and regulated by the Securities and Futures Commission. Hong Kong recipients of this information that have any matters arising relating to dealing in securities or provision of advice on securities, or any other matter arising from this information, should contact Morgans (Hong Kong) Limited at hkresearch@morgans.com.au

Disclosure of interest: Morgans may from time to time hold an interest in any security referred to in this report and may, as principal or agent, sell such interests. Morgans may previously have acted as manager or co-manager of a public offering of any such securities. Morgans affiliates may provide or have provided banking services or corporate finance to the companies referred to in the report. The knowledge of affiliates concerning such services may not be reflected in this report. Morgans advises that it may earn brokerage, commissions, fees or other benefits and advantages, direct or indirect, in connection with the making of a recommendation or a dealing by a client in these securities. Some or all of Morgans Authorised Representatives may be remunerated wholly or partly by way of commission.

Regulatory disclosures: Analyst owns shares in the following mentioned company(ies): Maronan Metals Analyst holdings: The following Analyst(s) have a threshold interest in the financial products referred to in this publication: Chris Brown. For these purposes, a threshold interest is defined as being a holder of more than $50,000 in value or 1% of the financial products on issue, whichever is the lesser.