
# REalloys: A Painfully Stereotypical Mining Promotion Brought To Investors By a Sanctioned Promoter and an alleged "Mob Boss"

NASDAQ: ALOY

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# *Executive Summary*

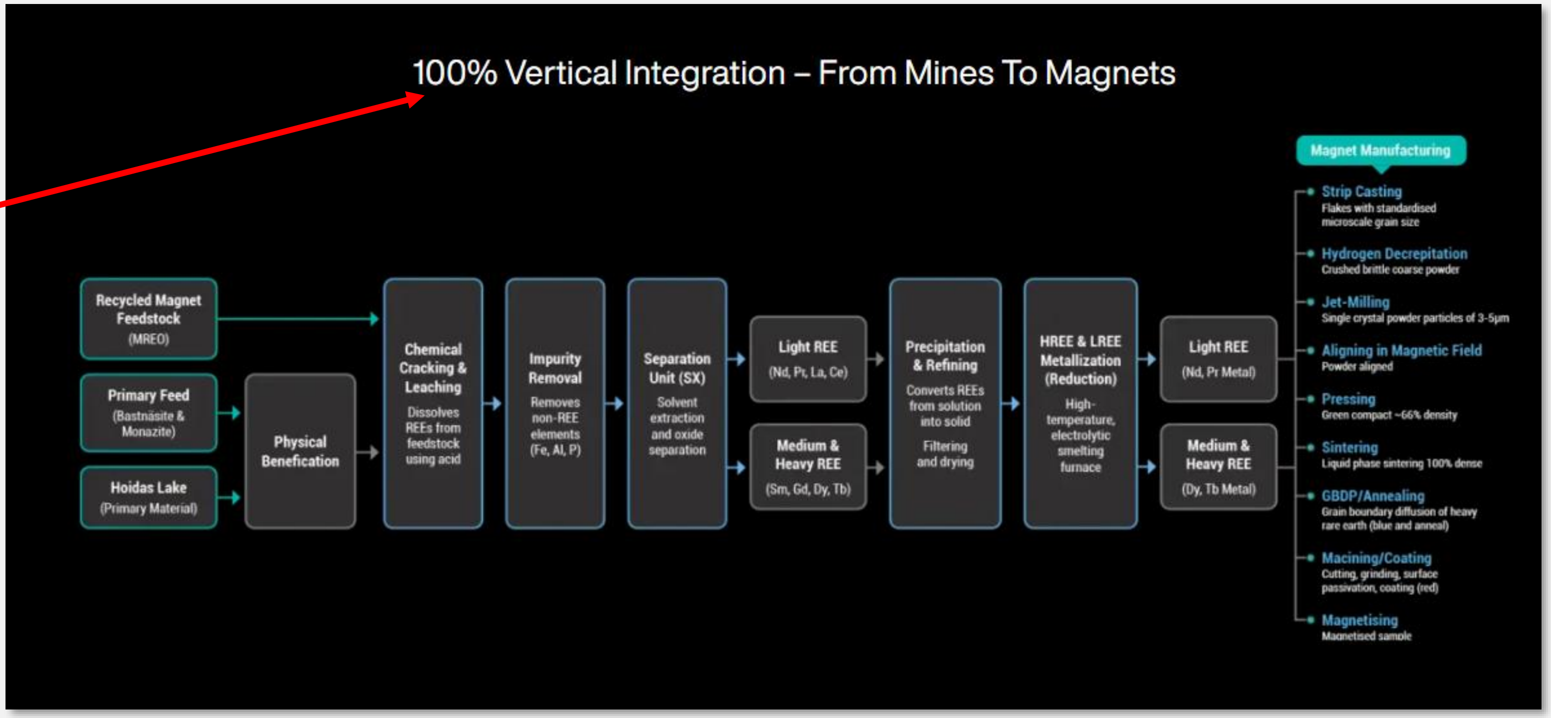
# *Introduction To REalloys, A ~$700mm "Mine-To-Magnet" Story Built On a Mine That Sold For $20,024 In 2015*

- REalloys Inc. went public via reverse merger with Blackbox Stocks, a day trading fintech that issues "algo-powered alerts", on February 24th, 2026. According to a February 10th prospectus, REalloys is an "integrated rare earth to high-performance neodymium iron boron ("NdFeB") magnet materials and magnet company" that claims it will deliver North America's first fully domestic supply of >99% purity rare earth metals.

- The company's primary asset is the Hoidas Lake mine, which we found has been "two to five years from production" for roughly 20 years under successive owners. The previous owners went bankrupt, and the mine was sold out of the bankruptcy for just $20,024.

- REalloys has yet to complete a PEA, PFS, or FS for its primary project. Its own SK-1300 technical report states there are no mineral reserves, our research indicates that there will be sizable CAPEX which we believe the company is unable to currently meet and we think that REalloys will need to dilute shareholders quite often in order to sustain itself.

**We have found that supposed vertical integration stories make fantastic shorts.**




*Source:* REalloys

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# Introduction To The Cast Of Characters: An Alleged "Mob Boss", a CEO Tied To a Ponzi-like Scheme, And a Sanctioned Promoter

- Major shareholder Arie Rabinowitz, managing member of Five Narrow Lane LP, previously ran LH Financial through Alpha Capital Anstalt. Anstalt was a vehicle named in the SEC's 2018 Barry Honig pump-and-dump complaint from which Alpha made ~$2.5mm. According to investigative reporting on his sworn trial testimony, Rabinowitz admitted to participating in the affairs of LH Financial and Alpha Capital through "a pattern of racketeering activities" and was referred to as an alleged "mob boss". The all-time returns of the latest Five Narrow Lane names average out to -64.9%.

- CEO "Lipi" Sternheim, legal name Leonard Sternheim, was ordered to repay ~$1.53mm received through a commodity pool fraud a court described as operating "akin to a Ponzi scheme", and previously served as CEO of Mustang Alliances, labeled a "pump-and-dump scheme" by the WSJ in 2015 and SEC-revoked in 2019. Both episodes are omitted from his LinkedIn, his REalloys biography, and every REalloys SEC filing we reviewed.

- Co-founder Tim Johnston was sanctioned by the TSX Venture Exchange over undisclosed financing terms at Desert Lion Energy and banned from serving as a TSXV director or officer without prior exchange approval. He was co-founder and Executive Chairman of Li-Cycle, the subject of a 2022 Blue Orca report alleging "Enron like mark-to-model accounting", which filed for bankruptcy in May 2025. We think the REalloys story ends the same way his prior ventures did.

- We believe REalloys is a spreadsheet business. Its flagship SmFe12 magnet claim of a 70 MGOe energy product is ~5x the published global record for bulk sintered SmFe12 of 14.2 MGOe, and a second study notes bulk SmFe12 magnets have never been achieved despite three decades of research. An expert with ~30 years in the space told us "absolutely not, SmFe will not replace NdFeB. There is not enough sm."

# *We Have Extreme Concerns With The Players Behind REalloys*

# *Introduction To The Cast Of Characters At REalloys*

| Name | Position | Why They Are Here |
| --- | --- | --- |
| Arie Rabinowitz | Major Investor | Major REalloys shareholder (via Five Narrow Lane LP). Was reffered to as an alleged "mob boss" after testimony in a trial concerning two entities he ran, LH financial and Affiliated vehicle Alpha Capital Anstalt, which was named in the SEC's 2018 Barry Honig pump-and-dump complaint. |
| Lipi "Leonard" Sternheim | CEO | CEO since May 2024. Goes by "Lipi"; legal name Leonard Sternheim. Prior CEO of Mustang Alliances, labeled a "pump-and-dump scheme" by the WSJ and SEC-revoked in 2019, omitted from his LinkedIn, REalloys bio, and every REalloys SEC filing we reviewed. Separately ordered to repay ~$1.53mm tied to a CFTC-charged operation described as "akin to a Ponzi scheme." |
| Tim Johnston | Technical Advisor | Technical advisor to REalloys. Co-founder and Executive Chairman of Li-Cycle, subject of a 2022 Blue Orca short alleging "Enron-like mark-to-model accounting"; filed Chapter 11 in May 2025. Separately sanctioned by the BCSC in 2021 over disclosure failures at Desert Lion Energy, banned from serving as a TSXV director or officer without prior exchange approval. |

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# We Think Investors Should Be Frightened By The Ties To Alleged "Mob Boss" Arie Rabinowitz.

- We believe that we have found massive corporate governance and management concerns with REalloys. The first name in the long line of characters associated with REalloys is Arie Rabinowitz, who is the managing member of Five Narrow Lane LP, which is a major shareholder of REalloys according to a filing. We found that before being with Five Narrow Lane, he was with LH Financial Services, which ran through a vehicle called Alpha Capital Anstalt,.

- For those unfamiliar with Alpha Capital Anstalt. They were involved with the "Microcap Fraudster" Barry Honig, who was barred from penny stock offerings and from acting as an officer or director of a public company as part of a settlement for his role in an alleged ~$27mm pump-and-dump scheme. It was stated that Alpha Capital made ~$2.5mm from this scheme according to the table which appeared in a 2018 filing.

- We reviewed the SEC Edgar database for companies associated with Alpha Capital Anstalt since 2021 (or, simply, after the Barry Honig debacle). Many of the entities we reviewed are simply penny stock promotions. To highlight that Arie Rabinowitz and the crew have continued on their seemingly never-ending quest of penny stock plays, we would like to draw attention to a company called Faraday Future Intelligent Electric (FFAI). Alpha Capital Anstalt holds secured convertible notes in the company according to the FFAI FY25 10K. FFAI has been the subject of numerous reports, most recently by Wolfpack Research. Because of several reverse splits, FFAI is currently priced at $0.14 cents and a ~$41mm market cap.

- According to investigative reporting, Arie Rabinowitz was brought into the spotlight regarding a case (U.S v Ware 04cr1224, SDNY) that reportedly concerned money laundering and loan sharking, within that case, he testified to running LH Financial and Alpha Capital and being involved in what was characterized by an investigative reporter as a corrupt and criminal enterprise. This reporter went on to describe Arie as an alleged "mob boss". To further illustrate our point, we compiled a list of the latest companies that Arie has reached his hands into via just the Five Narrow Lane LP entity; the numbers should concern any rational investor. The all-time returns of these securities average out to –64.9%. We see no reason for this time to be any different from the rest.

| Company | Return |
|---|---|
| BLBX* | -62.10% |
| IVF | -99.99 |
| PTPI | 2.28 |
| SMTK | -99.90% |
| Average | -64.90% |

***Source:*** *BLBX is now ALOY, numbers are from before the merger, Yahoo Finance, SEC Filings



*Here is a link to the original US V Ware case.

# *Case Study: The Arie To Alpha Capital Anstalt Connection*


**Celebrating the Dedication of the LH Financial Services Annual Winter Retreat - 2009 Tribute Dinner**

**Arie's main vehicle is said to be Alpha Capital Anstalt in a SEC filing.**

**Arie Rabinowitz - Chief Executive Officer and Director**

Mr. Rabinowitz is the founder of LHX Corp., a New York limited liability company and a family office service company for a single family ("LHX"). The family's primary securities investment vehicle is Alpha Capital Anstalt. In February 2025, LHX succeeded LH Financial Services Corp., co-founded by Mr. Rabinowitz, as the family office. LHX has the same functions and substantially the same management as LH Financial had. It occupies the same offices as previously occupied by LH Financial and all the management and staff of LHX were previously employed by LH Financial. LH Financial is winding down its operations. Mr. Rabinowitz served as Vice President and Chief Investment Officer of LH Financial from inception in 1997 until 2010. From 2010 until February 2025 Mr. Rabinowitz served as Chief Executive Officer of LH Financial. LHX evaluates investment opportunities in a wide variety of asset classes including public companies, private companies, development stage companies, technology institutions, startup incubators, and other ventures to determine if they fit within the framework of the family office's investment criteria. LHX., under the guidance of Mr. Rabinowitz, subsequently facilitates investments and exits from investments approved by the family. LHX also participates and facilitates charitable endeavors for itself and the family in many charitable causes, including organizations that foster education, family, and health across North America, Israel, and elsewhere. Mr. Rabinowitz advises, on a pro bono basis, a charity organization in the U.S. and Israel. In addition, Mr. Rabinowitz serves on the board of directors for Areivim, Inc., a community committed to the well-being of at-risk children, their parents, and siblings. Mr. Rabinowitz is the founder and CEO of ACR Foundation, a 501(c)3 registered charitable trust focused on both local and international charitable causes. Mr. Rabinowitz is the father-in-law of Mr. Eichorn. Mr. Rabinowitz graduated from Lander College of Arts & Sciences with a BS in Mathematics.

*Source*: YouTube (Top), SEC Filing (Bottom)

# *Case Study: The Investigative Journalism Into Arie Rabinowitz*

**Breaking News**

**IRN Public Corruption Investigations**

***and***

**Business Intelligence Group (BIG)**

Sunday, January 7, 2024

**Unraveling the Complex Web of Racketeering:**
**A Case Study from *U.S. v. Ware*.**
**The Cross Examination of *Mob Boss* Arie Rabinowitz.**

**IRNewswires (IRN)/Business Intelligence Group (BIG) Public Corruption Investigation.**

Meredith Kammler, LLB, LLM, Ph.D., *summa cum laude*, Investigative Reporter
Alain Reitman, JD, Ph.D., *summa cum laude*, Investigative Reporter
Michael Krauss, B.A., LLM, SJD, *summa cum laude*, Public Corruption Investigator/Analyst.

1 | Page
7 January 2024

*Source:* LinkedIn

# The CEO Buried His Failed Ventures Behind a Nickname

- During our analysis, we found that the current REalloys CEO, Lipi Sternheim has seemingly omitted a prior venture from his LinkedIn page, and that the old project (along with various others) is seemingly now defunct, and Lipi has gotten a life raft via this latest REalloys venture.

- When investors look at Lipi's LinkedIn page, they will notice that his experience lists two things: 1. REalloys 2. "Founder and/or Investor". He describes the latter as a "Founder-of and/or Investor-in several natural resource projects across the globe - de-risking and developing mining and oil & gas projects, with a focus on resource security and vertically integrated value chains." Within Lipi's biography on the REalloys website, it is stated that one of those companies is Quartz Lake Mining and it is prominently noted near the very top of the biography. We did some digging into Quartz Lake and found that it appears to be a now-defunct minuscule science project. According to pitchbook.com, Quartz Lake Mining only raised capital once back in 2023 for a paltry ~$3.5mm. When we checked the link to the Quartz Lake Mining website, the only thing that showed up was a Squarespace page notifying us that the website had expired.

- We believe that Lipi's more notable failures came before he started referring to himself as Lipi. His full name is Leonard Sternheim*, and we uncovered evidence that links him to an investment in a Ponzi-like Scheme as well as a penny stock pump-and-dump.  Starting off, we uncovered a lawsuit that was filed against US Ventures and Winsome Investment Trust. This lawsuit stemmed from commodity pool fraud and misappropriated in "a manner akin to a Ponzi scheme." Within the suit, Leonard Sternheim was required to pay back ~$1.53mm, which was paid out to him through various entities by the Ponzi-like scheme. We think the most likely explanations for this are that he was either stupid and got suckered into a Ponzi-like scheme (which would be a major red flag) or he isn't stupid and simply wanted to get in early on a Ponzi-like scheme (somehow worse).

**THE FRAUDULENT PONZI SCHEME**

US Ventures

12. US Ventures was a Utah limited liability company headquartered in Salt Lake City, Utah that was run by Holloway.  US Ventures claimed to be engaged in the trading of commodity futures in a manner that generated high investment returns for investors, with returns averaging 1% per day.  US Ventures claimed to have very few days with losses; many investors were told there had been only one day of losses since the inception of trading.

*Source:* Lawsuit**

*This page on the REalloys website states that his full name is Leonard.

**We will upload a link on Scribd after report release.

# *Lipi Was Involved In a Pump and Dump*

- The next major issue in the past of Leonard Sternheim is his involvement as CEO of Mustang Alliances Inc. This experience is conveniently omitted from his LinkedIn profile, his biography on the REalloys website, as well as within the REalloys SEC filings we could find. Mustang Alliances was referred to as a "pump-and-dump scheme" by the WSJ in a 2015 article, which highlighted that mass emails had been sent out and an unsuspecting 29-year-old had been bagged by the scheme. The SEC ended up revoking the Mustang Alliances registration in 2019. We think investors may have missed this due to the experience being left off the investor-facing materials we could find. We found that you can typically find a full past by searching the SEC Edgar database for the person's full name or looking on Market Screener. We think if investors were unfazed by the association with Arie Rabinowitz, and the shady dealings surrounding him, they should be concerned that the man at the helm of the company is seemingly hiding his involvement with failed projects and a pump-and-dump from the REalloys investor base.

**Beware of the Spike**

Alleged pump-and-dump schemes like the one at Mustang Alliances often feature high-pressure emails as prices rise, then drop quickly.

*Source: 2015 WSJ article*

**Mustang Alliances Called a "pump-and-dump".**

Experience

Chief Executive Officer
REalloys Inc. · Full-time
May 2024 - Present · 2 yrs
REalloys (NASDQ: ALOY) is creating the most diverse, scalable, and fully integrated rare earth metals and magnet manufacturing platform in North America. By restoring midstream processing - the critical... more

Founder and/or Investor
Several
Jan 2001 - Present · 25 yrs 4 mos
Founder-of and/or Investor-in several natural resource projects across the globe - de-risking and developing mining and oil & gas projects, with a focus on resource security and vertically integrated value chains.

**Lipi fails to mention his other failures.**

*Source:* LinkedIn

# *Case Study: The Quartz Lake Mining Website*

Lipi Sternheim

CEO

Lipi Sternheim is the Founder and Chief Executive Officer of REalloys and serves on its Board of Directors. He is also the founder and CEO of Quartz Lake Mining, a Nevada-based integrated gold mining company, and has spent more than two decades de-risking and developing mining and oil & gas projects, with a focus on resource security and vertically integrated value chains. At REalloys, he is leading the build-out of a fully integrated "mine-to-magnet" platform across North America, spanning rare earth feedstock, midstream processing, metallization, and magnet manufacturing.

**The Quartz Lake website is expired, despite being listed prominently on the REalloy's website as a testament to the CEO's past.**

Website Expired

This account has expired. If you are the site owner, click below to login.

OWNER LOGIN

*Source:* REalloys Website (Top), Quartz Lake Mining Website (Bottom)

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# REalloys "Technical Advisor" Is a Sanctioned Promoter

- Another name in the REalloys cast of shady people is a Co-Founder and technical advisor named Tim Johnston. According to the REalloys website, Tim is described as a "serial entrepreneur", a nickname we find fitting as, in our experience, most people with that description tend to have a long history of failure. In 2022, prominent short seller Soren Aandahl (Blue Orca Capital) released a report on Li-Cycle (which Johnston was a part of). Blue Orca brought up the fact that Tim Johnston is a sanctioned promoter. Tim was sanctioned for a prior venture Desert Lion Energy, a company which had claimed to be building Namibia's first large-scale lithium mine, the share price had gone to C$0.10 during the 18-month period before being acquired by Lepidico. Desert Lion was apparently on the brink of bankruptcy when Tim as CEO initiated a private financing of C$5mm of convertible notes; the notes were discounted by C$1mm and contained default covenants. Desert Lion failed to disclose the discount and covenant to both investors and the exchange. Tim blamed the complexity of the notes for the error. The exchange was not convinced by these nonsensical excuses and banned Tim from serving as director or officer of TSXV-listed companies without the prior approval of the exchange and informed consent of such companies.

- The target of the report, Li-Cycle, was said to use "Enron like mark-to-model accounting", the report further explained that Li-Cycle had recognized revenues months prior to the sales of its recycled black mass, based on its own provisional estimate of the future value of the product. Blue Orca suspected that under the framework, Li-Cycle marked up the value of its receivables on unsold products and runs the gain through its revenue line and estimated that during the quarter which Blue Orca reported on that 45% of Li-Cycle's revenues were derived from simply marking up receivables on products that had not been sold, they also noted that Li-Cycle had apparently diverted half a million to "the family entourage of its founders through a series of highly questionable related party payments", Li-Cycle has since filed for bankruptcy.

- We would like investors to note that shortly after this fiasco, Tim brought another company, Li-Metals, public via a reverse merger in 2021. This venture has also seemingly failed, and has been restructured into Skycap Investment Holdings, which appears to be a dead shell with a ~$4mm market capitalization. We checked the Li-Metals website, and it appears totally defunct. We believe investors can add this to the list of failed companies brought to you by Tim Johnston. We think the REalloys story will end similarly.

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# *Case Study: Excerpts From Johnston being Sanctioned*

d) Mr. Johnston blamed the "inherent complexity of convertible securities" for what he described as a misunderstanding between Desert Lion and the Exchange.

[53] Our characterization of the Decision is as follows:

a) The Exchange found that Desert Lion had materially breached fundamental Exchange requirements;

b) The Exchange found that Mr. Johnston had a duty to ensure that Desert Lion complied with Exchange requirements;

c) The Exchange considered Mr. Johnston's assertions of reliance on legal advice unsatisfactory and not deserving of any detailed analysis at that stage; and

d) The Exchange imposed conditions on future applications by Mr. Johnston for Exchange approval which would necessitate that Mr. Johnston address the concerns it raised in the Decision with the informed support of whatever listed issuer Mr. Johnston was then applying to join.

*Source:* www.bcsc.bc.ca

# *Case Study: Li-Cycle Bankruptcy*


Li-Cycle's Rochester Hub site when construction was paused on Oct. 23, 2023. (File photo by Kevin Oklobzija)

**Li-Cycle files for bankruptcy, Glencore may want Rochester Hub**

*Source:* rbj.net

# *We Have Extreme Doubts About The Core Business*

# We Believe That REalloys Is a Spreadsheet Business And That There Are Numerous Reasons No One Else Pursues This

- We believe that one of the key selling points for the Realloys story is the "potential for SmFe12 Magnets" which the company spoke about in a June 2nd, 2025, blog post where they described the theoretically higher energy product than the industry standard NdFeB and stated that it is free of heavy rare earths and critical minerals. We would like to make it very clear that even on the Realloys site, this is phrased as theoretical! Another issue we raise with the REalloys story is that the study which the company uses data from a study on their website. We reached out to attempt to speak withan author but were informed that they did not approve the usage of her research and was angry at [Realloys] usage of it. We explained the situation to the industry veteran with 40+ years of experience, and he called it a **"big red flag".**

- In order to verify that these claims had any real meaning, we received a response from an expert with ~30 years of experience in the space. The expert gave what we believe to be an extremely clear answer regarding SmFe12 magnets replacing NdFeB in a meaningful capacity: "**absolutely not, SmFe will not replace NdFeB. There is not enough sm**." We believe that quote summarizes extremely well what investors should take into account, we encourage investors to check themselves and are confident that upon proper diligence, they will come to similar conclusions.

- We found evidence that indicates that REalloys has overstated SmFe12's capabilities by ~5x. In the blog post on the previous slide, it states that "SmFe12 has a theoretical energy product of 70MGOe". We found a study that indicated that the published global record for bulk sintered SmFe12 magnets is 14.2 MGOe. A second study points out that the development of bulk SmFe12-based magnets has never been achieved despite three decades of research. In plain terms, REalloys is comparing a number from a chalkboard to numbers from a factory. The "70 MGOe" they tout is a theoretical ceiling that no one in the world has ever come close to in an actual magnet; the best anyone has ever produced is about a fifth of that, and after thirty years of effort, nobody has figured out how to make these magnets in a usable bulk form at all.

**An excerpt from the blog post by REalloys.**

BLOG

June 2, 2025

The Potential For SmFe12 Magnets

SmFe12 magnets have the potential to provide improved energy products compared to NdFeB materials at significantly lower cost, and without the need for critical materials. SmFe12 has theoretically higher energy product than NdFeB and is free of heavy rare earths and critical materials. SmFe12 has the highest magnetization of any permanent magnet demonstrated at 1.9T. SmFe12 has a theoretical energy product of 70MGOe versus 64 for NdFeB, and Sm is a very low-cost material with more domestic reserves than Dy needed for NdFeB (0.05% versus 0.02% at MP). The SmFe12 composition can be tailored to minimize cobalt content and adjust the temperature dependent magnetic properties to enhance high temperature performance. Magnet Energy is developing optimized compositions, and enhanced powder processing to produce fully dense magnets with energy products >30MGOe.

*Source*: Realloys blog post

# *Expert Interview We Conducted Highlight Just How Absurd The REalloys Story is*

- As part of our due diligence process, we speak to multiple experts in the field regarding the companies which we cover in order to gain high level information which we may have otherwise missed as generalists. One of the industry veterans we spoke to who has 40+ years of experience informed us that SmFe magnets have been explored since the 80's to no avail. The expert further explained to us that even if you say everything goes perfectly for REalloys, and they get 100% of SmFe12 market AND the market performs perfectly, they will only have $1.2b in revenues. * Our point is, even in a perfect world its barely economic, and do investors really believe that a management team filled with promoters will be able to get it done?

- The expert also said that Samarium (generally) does NOT have any real applications besides some very small **"niche"** applications. The industry expert also said that **"there's not a kind of hells chance that, economically they can compete with [NdFeB]."** The industry veteran agreed that it was economically impossible. It is our understanding that the the SmFe market is incredibly misnucle and we don't think that REalloys has the sophistication to do the project properly. The expert said explicitly, **"It's not going to be successful".**

| Potential Path | Outcome |
|---|---|
| Perfect Execution + Perfect Market Conditions, With a Monopoly | Possible Revenue Is ~ $1.2b |
| Probable Execution, Plus Market Stays The Current Course | Large Downside |
| Poor Execution, Plus Market Stays Flat | Extreme Downside |

*This assumes REalloys has a totally perfect execution, the market magically takes off after decades of nothing and they are able to solve the stability issues, the expert was extremely skeptical those could be solved.

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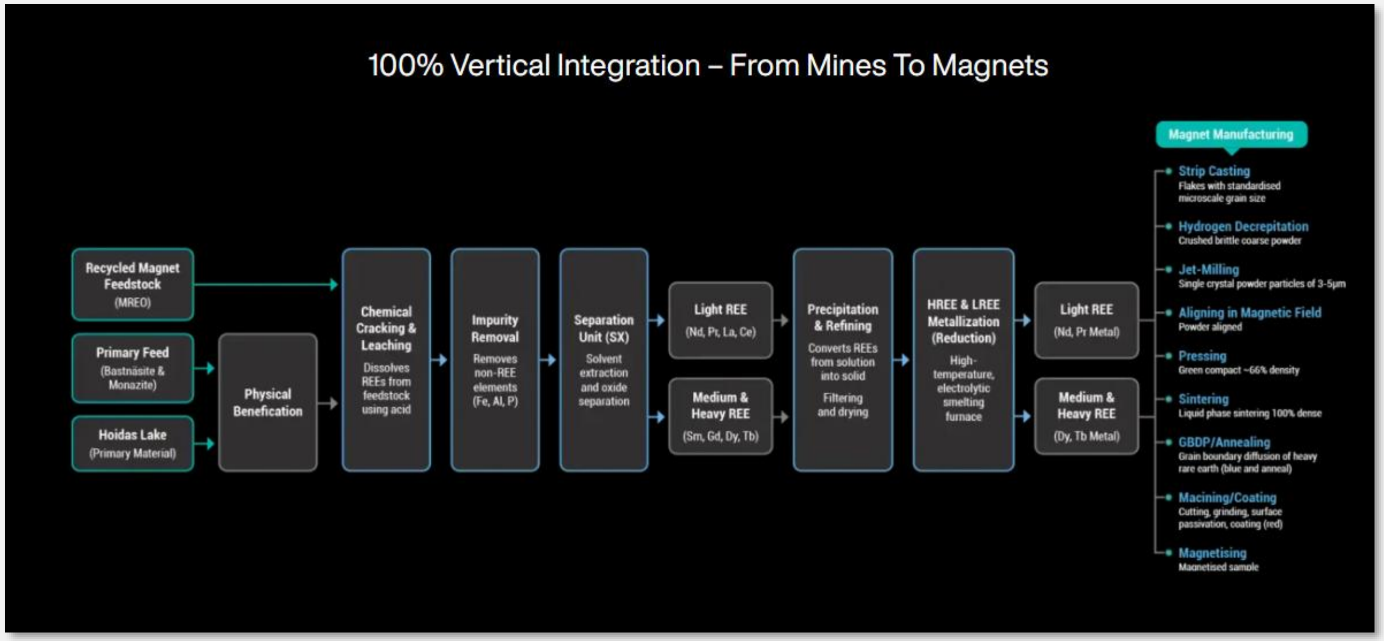
# *REalloys Has Yet To complete a PEA, PFS, OR FS Study For Their Primary Project*

- Realloys has yet to complete nearly any meaningful studies, including a PEA, PFS, or FS study for the primary projects. They have completed a Sk-100 technical report. With an effective date of October 30, 2024, and a date of issue of December 6, 2024. Per Section 1.1 of the report, REalloys retained Micon "to independently review and verify the previous mineral resource estimate (MRE) for the Hoidas Lake Rare Earth Element (REE) Project," with Barr Engineering Co. having supplied the electronic resource database from a previous MRE Barr had undertaken. The report itself states that there are no mineral reserves, that capital and operating costs have not been developed in detail, and that economic analysis of the project has not been completed.

- On top of said technical reports, which need to be done (that take months to years) we believe there will also be extreme CAPEX requirements for REalloys to contend with. We found data that indicates that the standard CAPEX benchmark is $400mm+. This CAPEX will need to be financed in some fashion, and we think that the most likely way will be through diluting shareholders in an incredibly sizeable fashion. The bull thesis of Realloys hinged on the notion that REalloys will be America's go-to vertically integrated mine-to-magnet platform. The only contract of any substance we found was a $1.7mm DOD contract in March 2026. We find it important to note that this was awarded to a subsidiary of theirs, not the main company.

- REalloys is asking investors to believe that they can do not just the mining, not just the processing, but EVERYTHING. This is with a team that is headed by a CEO who was associated with a pump and dump (and a Ponzi-like scheme), a sanctioned promoter as the technical advisor, and a alleged "oss".* We think this is one of the most absurd notions in the market today.




*Source:* REalloys



*We will dive into all of this later in the report.

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# REalloys Main Mine Was Sold For Just ~$20k in 2015

- REalloys Inc. went public via reverse merger with Blackbox stocks on February 24th, 2026. Blackbox stocks is now a subsidiary of REalloys after the merger. First, we are unsure what on earth a minerals company has to do with a day trading fintech company, which, according to its website, issues “algo-powered alerts” that “direct you to the biggest profit opportunities in the market”. According to a February 10th prospectus, REalloys is an “integrated rare earth to high-performance neodymium iron boron (“NdFeB”) magnet materials and magnet company. According to the REalloys Website, they deliver North America’s first fully domestic supply of >99% purity rare earth metals.

- The Main REalloys mine is the Hoidas Lake Mine, which, according to the Realloys website, is “one of the few rare earth deposits in North America containing both light rare earth elements (Nd, Pr) and meaningful concentrations of heavy rare earth elements”. Within the company’s corporate presentation, REalloys claims that they will have all of the detailed engineering, feasibility, and permitting done for Hoidas Lake in ~2028.

- Through our diligence, we discovered that the Hoidas Lake mine has been two to five years from production for ~20 years, being passed around by various ownership during that period. We believe that the question investors are facing is whether or not this new management team at REalloys, which is filled with promoters with ties to various pump and dumps, can make something out of a mine that has failed for nearly two decades. We find it extremely unlikely and believe the Hoidas Lake mine simply offers a convenient asset to bring to the public that will end up exactly how it has the last few times something like this has been attempted.

- The saga of Hoidas Lake starts all the way back in the 1950’s; however, for this, we will start in the early 2000’s when the Saskatchewan Great Western Minerals Group (GWMG) was awarded the contract to conduct a pre-feasibility study on Hoidas Lake. By 2009, the company had looked to start the permitting process despite the final feasibility study never being completed and was touting such on the notorious promotional website Proactive Investors. Following this, it was stated that the “project may reach production as early as 2015.”

- This did not come to fruition as GWMG ended up in bankruptcy in 2015. Hoidas Lake subsequently became the property of Mont Strategies Inc. What we find very interesting about Mont Strategies’ acquisition of the Hoidas Lake mine was that they got the mine for just $20,024 out of the bankruptcy.

- During bankruptcy proceedings, items are often listed in what is determined to be Fair Value, meaning that the entire Hoidas Lake mine was determined to be nearly worthless. We find it difficult to reconcile how a mine, which ~11 years ago was valued at less than a used car, is now able to be the main asset of a ~$700mm company.

# *REalloys Has a Nasty Habit Of Partnering With Other Promotions.*

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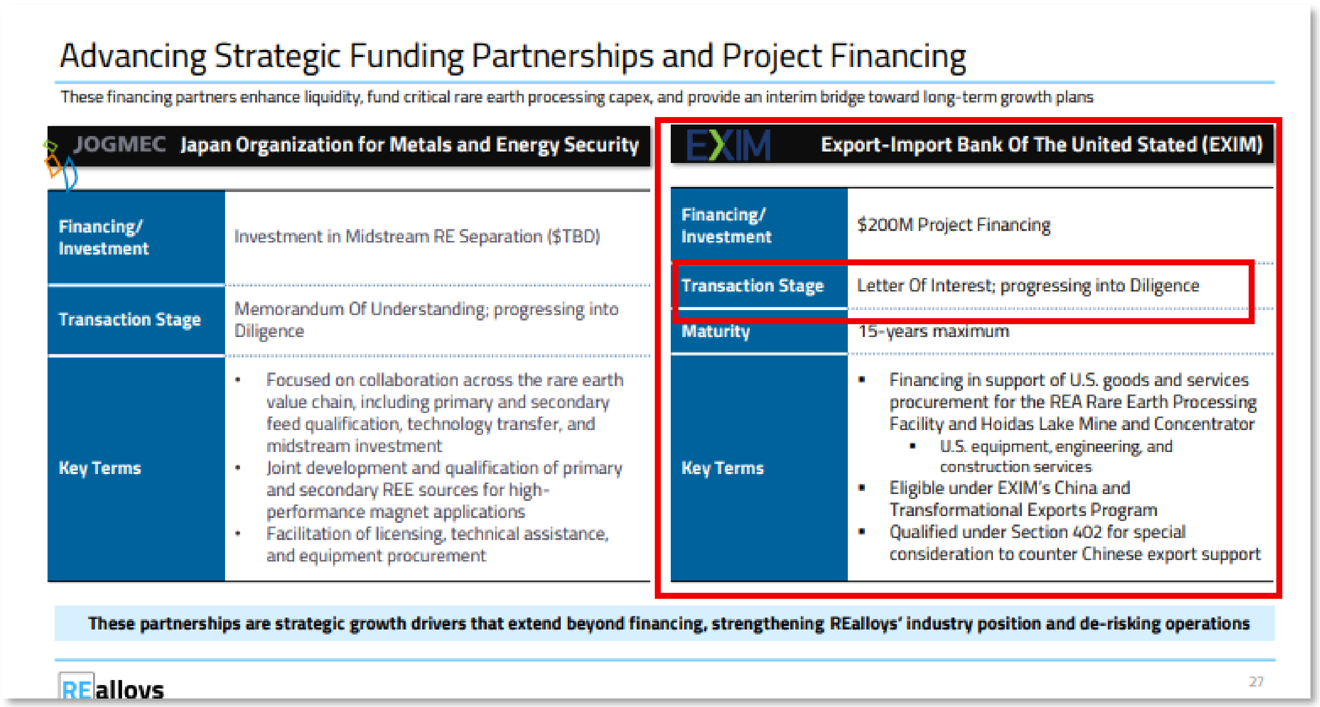
# *The Deal With Critical Metals Corp Concerns Us*

- In our experience, companies tend to do deals with other company's whom they share similar qualities (i.e., good companies will do deals with other good companies and vice versa). In this slide, we'd like to highlight the multi-year offtake agreement with Critical Metals Corp ($CRML), which can be found within an investor presentation from "Winter 2026". The agreement granted access of up to 15% of future mined production from the Critical Metals "Tanbreez Project".

- We are skeptical of the deal with Critical Metals after we realized that a short report had been written in November 2025. The report stated that they thought the company (CRML) "has constructed its entire narrative on geological fantasies and engineering impossibilities. The centerpiece of CRML's pitch, the Tanbreez Rare Earth Project, rests on a series of misleading, vague, and promotional claims that collapse the moment they are checked against the company's own filings and data." The report claimed that the Tanbreez ore concentrate apparently can't be processed and has no commercial market.

- One point we found particularly interesting was the use of a touted Export-Import Bank of the United States by CRML, which the activist said was a "promotional charade" and pointed out that it was merely a Letter of Interest and is non-binding. This exact LOI shows up in the REalloys story, with an LOI from EXIM being featured prominently in the very same presentation as a great sign. We think that the LOI serves an extremely similar purpose in REalloys's case and that investors should be extremely wary of the tactics utilized by the company. Albeit we are unsurprised, given the cast of character associated with REalloys.


Advancing Strategic Funding Partnerships and Project Financing

These financing partners enhance liquidity, fund critical rare earth processing capex, and provide an interim bridge toward long-term growth plans

| JOGMEC Japan Organization for Metals and Energy Security | |
|---|---|
| Financing/ Investment | Investment in Midstream RE Separation ($TBD) |
| Transaction Stage | Memorandum Of Understanding; progressing into Diligence |
| Key Terms | • Focused on collaboration across the rare earth value chain, including primary and secondary feed qualification, technology transfer, and midstream investment<br>• Joint development and qualification of primary and secondary REE sources for high-performance magnet applications<br>• Facilitation of licensing, technical assistance, and equipment procurement |

| EXIM Export-Import Bank Of The United Stated (EXIM) | |
|---|---|
| Financing/ Investment | $200M Project Financing |
| Transaction Stage | Letter Of Interest; progressing into Diligence |
| Maturity | 15-years maximum |
| Key Terms | • Financing in support of U.S. goods and services procurement for the REA Rare Earth Processing Facility and Hoidas Lake Mine and Concentrator<br>  • U.S. equipment, engineering, and construction services<br>• Eligible under EXIM's China and Transformational Exports Program<br>• Qualified under Section 402 for special consideration to counter Chinese export support |

These partnerships are strategic growth drivers that extend beyond financing, strengthening REalloys' industry position and de-risking operations

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**The same financing touted here was claimed to be overblown in the short report on CRML**

*Source:* Winter Presentation

# *Overview Of The Deal With Ramaco Resources*

- During our diligence, we uncovered a second deal that we believe should trouble investors. On May 28th, 2026, REalloys announced that it had entered into a non-binding MOU (Memorandum Of Understanding) with Ramaco Resources (Ticker: METC). According to the press release, the point behind the partnership is to "evaluate a strategic long-term partnership for the supply and commercialization of rare earth and critical mineral products from Ramaco's Brook Mine operation in Wyoming". In the next slide, we will show investors why we believe partnering this company should be perceived as a death blow to the REalloys executive team.

REalloys

## REalloys Announces MOU with Ramaco Resources to Advance Rare Earth Production from U.S. Coal-Hosted Resources

Non-Binding MOU Establishes Framework for Potential Long-Term Supply Rights for up to 20% of U.S.-Produced Mixed Rare Earth Carbonate from Ramaco's Brook Mine Project in Wyoming

May 28, 2026 07:00 ET | Source: REalloys Inc. Follow

*Source:* Globenewswire

# The Issues With The Ramaco Deal

- For investors unaware of the issues surrounding Ramaco and their Brook Mine, we'd like to direct your attention to the 2025 report by Wolfpack Research. The report alleged that Ramaco had manipulated data relating to the Brook Mine to make it appear profitable, further going on to explain how it may be a Potemkin mine. Wolfpack had visited the mine via drone and concluded that nothing of substance had been done since the supposed grand opening months beforehand. According to the report, an expert described the Brook Mine like so: "The only value of this thing is a stock promotion play. It's a pump and dump. That's what it's been ever since it began." We think potential and current investors in REalloys should ask themselves why they can only seem to get second and third-tier partnerships.


Source: Bloomberg, Ramaco Chart (change)

# *A Press Release Which Sent REalloys Up 10% In a Day Appears Misleading*

- On May 6th, Realloys put out a PR titled: "REalloys (NASDAQ: ALOY) Receives Department of War Memorandum on Securing Domestic Heavy Rare Earth Supply Ahead of 2027 Deadline". This PR sent shares rocking ~10% on the day.

- When an investor first reads the headline, it would appear some kind of deal is being struck with the DOW. That appears to be outright wrong, upon further examination of the PR it would appear that the Department of War simply sent a letter to REalloys stating that they expect compliance with the ban on China. Within the PR it even states that "the memorandum is not a technical endorsement of REalloys or its commercial partners". If that's the case, then why on earth would you put a PR out about it? We got to hand it to management; they know how to spin just about anything to sell stock.

PRESS RELEASE

May 6, 2026

REalloys (NASDAQ: ALOY) Receives Department Of War Memorandum On Securing Domestic Heavy Rare Earth Supply Ahead Of 2027 Deadline

*Source:* **REalloys PR**

EUCLID, Ohio, May 06, 2026 (GLOBE NEWSWIRE) — REalloys Inc. (NASDAQ: ALOY) ("REalloys" or the "Company"), a U.S.-based midstream rare earth processing innovator and developer of North America's first commercial-scale heavy rare earth metallization solution, today announced that its leadership has received a formal memorandum from the Department of War, following more recent Company engagements to enable HREE processing. The memorandum is not a technical endorsement of REalloys or its commercial partners.

*Source:* **REalloys PR**

# *Conclusion*

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# Conclusion

- REalloys is a ~$700mm company whose primary asset, the Hoidas Lake mine, has been "two to five years from production" for roughly 20 years and was sold out of its prior owner's bankruptcy for just $20,024 in 2015. The company has yet to complete a PEA, PFS, or FS, its own SK-1300 report confirms no mineral reserves exist, and its only substantive contract is a $1.7mm DOD award made to a subsidiary against a $400mm+ capex benchmark.

- We believe the core technology story is a spreadsheet business. The touted 70 MGOe SmFe12 energy product is ~5x the published global record for bulk sintered SmFe12 of 14.2 MGOe, and an expert with ~30 years in the space told us "absolutely not, SmFe will not replace NdFeB. There is not enough sm."

- The cast of characters speaks for itself: a major shareholder referred to as a alleged "mob boss" who admitted to at LH Financial, his actions were characterized by a reporter as “racketeering”, a CEO ordered to repay ~$1.53mm from a scheme a court described as "akin to a Ponzi scheme" who hides his SEC-revoked pump-and-dump past behind a nickname, and a technical advisor sanctioned by the exchange whose prior venture Li-Cycle filed for bankruptcy in May 2025. The all-time returns of the latest Five Narrow Lane names average out to -64.9%.

- The company's partnerships and promotions confirm the pattern. Its offtake counterparty, CRML, was alleged to rest on "geological fantasies and engineering impossibilities", its Ramaco MOU counterparty was called a Potemkin mine whose only value is "a stock promotion play". Even its May 6th Department of War PR, which sent shares up ~10%, admitted in its own text that "the memorandum is not a technical endorsement of REalloys or its commercial partners".

- We see no reason for this time to be any different from the rest. Every prior venture touched by this group of promoters has ended in bankruptcy, revocation, or a dead shell, and we believe REalloys shareholders are holding the latest iteration of the same trade.