



RXL: Quality attracts quality. Byrnegut appointed as mining contractor.

RXL.ASX | ROX RESOURCES | MATERIALS | GOLD

PRICE
0.43/sh

TARGET PRICE
0.64/sh
(FROM 0.59/sh)

RECOMMENDATION
SPECULATIVE BUY
(UNCHANGED)

Event

Tier 1 contractor Byrnegut appointed at RXL's Youanmi gold project via a two part contract.

Part A: The development of the United North exploration decline to allow in-fill drilling and extend mineralisation (we see opportunity for growth in confidence but also size post this drilling noting recent drill results where new lodes were discovered).

Part B: Development of the Pollard, Youanmi and United North declines and the subsequent production activities. Note: There is existing development at Youanmi down to 600m below surface at 4.8mW x 4.8mH it will need to be 'stripped' out to 5.5mW x 5.8mH (or thereabouts). **This is much faster than full face boring as >70% of the decline has already been drilled blasted and hauled at Youanmi Main. This will facilitate rapid vertical advance rates at a lower cost.**

Action

Who is Byrnegut and what does a Tier 1 contractor bring to the table?

Safety: Whilst the general 'market' does not appreciate the importance of safety statistics, it is a critical consideration for management teams (especially in light of changes to industrial manslaughter legislation in Western Australia). Byrnegut has arguably one of the best critical risk management frameworks which protect those working in this high risk environment (and those with fiduciary duties to protect them).

Economies of Scale: Byrnegut is one of the largest underground contractors in the world. But scale does not come bring buying power alone, **it also comes with an ability to move people and equipment around** to where they are needed the most to take advantage of scheduling opportunities and to also use short-interval-controls to catch up.

Training: In an environment where labor supply (particularly underground mining) is tight, efficient training systems are critical. These systems support the development of mining professionals in both technical and operational positions.

Quality projects: BHP, Northern Star, Ora Banda, Ramelius, Goldfields and Liontown are some of the companies Byrnegut works with. Cross pollination of systems and processes from these companies matters.

Recent metallurgical work confirmed what a processing route would look like, we mapped this out in our last research piece, and have included it in this report as well. The appointment of a world class underground contractor has removed a lot of 'delivery' risk.

RXL is Australia's next +100kozpa high grade underground gold producer. Just image the photo of a jumbo (underground development drill rig) at the portal (remember what happened when we saw photos of a Barmingo jumbo at the Spartan portal?). Euroz Hartleys recently made changes to our gold price deck (mid-point of consensus) and small changes to our financial model. **We maintain our Speculative Buy recommendation but increase our Price target to \$0.64/sh on a 50/50 split of our risk NPV10% using EH Deck prices (US\$2650/oz FX0.70) and Spot prices (US\$3640/oz FX0.65).**

Catalysts

Drill results (every 2-3 weeks); Dewatering (ongoing); Equipment mobilisation: Reserves/DFS (Q2 FY26); Gold price; M&A (noting its just 20km away from RMS's Penny)

Analyst

Kyle De Souza

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MARKET STATS

Share Price	0.43	A\$/sh
Price Target	0.64	A\$/sh
Valuation EH Deck	0.44	A\$/sh
Val@ Spot US\$3640	0.84	A\$/sh
Shares on issue	747	m
Performance shares	36	m
Total Dil. FPOrd	783	m
Market Cap (dil)	\$337	m
Enterprise Value	\$286	m
Cash and Bullion	\$50	m
Debt	\$0	m

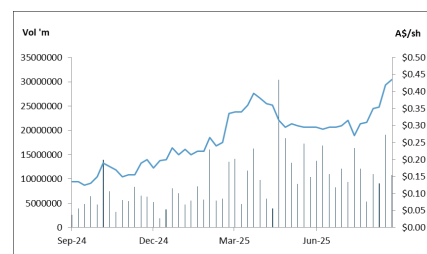
Major Shareholder...

Hawkes Point	17.7%
Q Gold	16.3%
Venus Metals	7.5%

Directors

Stephen Dennis	Chair
Phil Wilding	CEO
David Boyd	NED
Nathan Stoitis	NED

Performance



Source: IRESS

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VALUATION

	A\$m	A\$/sh
(+) Younami	644	0.52
(-) Tax	-174	-0.14
(-) Corporate	-31	-0.03
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	540	0.44
Val@ Spot US\$3640	1041	0.84
Average		0.64

BALANCE SHEET

Yr End 30 June (A\$m)	2026F	2027F	2028F
Assets			
Cash	305	13	69
Current Receivables	-	-	-
Other Current Assets	-	-	-
Non-Current Assets	180	329	218
Total Assets	485	342	287
Balance Sheet			
Borrowing(s)	200	160	80
Current Liabilities	3	3	3
Non-Current	12	12	12
Total Liabilities	214	174	94
Net Assets	271	168	193

RATIO ANALYSIS

Yr End 30 June (A\$m)	2026F	2027F	2028F
Operating Cashflow	(10)	(2)	146
Cashflow Per Share	(0)	(1)	6
Cashflow Ratio	na	(56)	7
Earnings	(10)	(53)	35
Earnings Per Share	(1)	(4)	3
EPS Growth	138%	432%	-166%
Earnings Ratio (x)	(53)	(10)	15
Enterprise Value	425	677	541
EV/EBITDA	(212.4)	55.3	3.5
EV/EBIT	(212.4)	(17.4)	12.5
Net Debt/(Net Debt + Equity)	na	47%	5%
Interest Cover	na	na	na
EBIT Margin	na	-125%	15%
Return on Equity	-4%	-32%	18%
Return on Assets	-2%	-16%	12%
Dividend per Share	-	-	-
Dividend Payout Ratio	0%	0%	0%
Dividend Yield	0%	0%	0%
Dividend Franking	0%	0%	0%

FORECAST PRODUCTION

Yr End 30 June (A\$m)	2026F	2027F	2028F
Attrib. Gold Prod'n (koz)			
(+) Younami	-	7	66
Total Attrib Gold (koz)	-	7	66
Prices (US\$/oz)			
Avg Spot Gold Price	3,350	3,100	3,050
Avg Gold Price Rec'd	na	4,485	4,357
AUDUSD	0.66	0.68	0.70

AISC\$/oz

(+) Younami	na	na	2,244
Avg AISC \$/oz	na	na	2,244
AIC (Inc. Growth and Exp)			2,396

PROFIT & LOSS

Yr End 30 June (A\$m)	2026F	2027F	2028F
Gold revenue	-	31	287
Hedging Revenue	-	-	-
Interest Income	-	-	-
Other Revenue	-	-	-
Total Revenue	-	31	287
Operating Costs	-	16	128
Dep/Armort	-	51	111
Corp O/H	2	3	5
Writeoff (expl'n)	-	-	-
Other	-	-	-
EBITDA	(2)	12	154
EBIT	(2)	(39)	43
Interest Expense	8	14	8
NPBT	(10)	(53)	35
Tax	-	-	-
Minority Interest	-	-	-
Net Profit	(10)	(53)	35
Net abnormal	-	-	-
Net profit After Abnormal	(10)	(53)	35

CASHFLOW

Yr End 30 June (A\$m)	2026F	2027F	2028F
Net Profit	(10)	(53)	35
(+) WC adj.	-	-	-
(+) Dep/Armort	-	51	111
(+/-) Provisions & Other	-	-	-
(+) Tax Expense	-	-	-
(-) Deferred Revenue	-	-	-
(-) Tax Paid	-	-	-
Operating Cashflow	(10)	(2)	146
(-) Capex + Dev.	125	200	-
(-) Exploration	10	10	10
(-) Asset Purchased	-	-	-
(+) Asset Sale	-	-	-
(+/-) Other	-	-	-
Investing Cashflow	(135)	(210)	(10)
(+) Equity Issues (rts,plc,opts)	200	-	-
(+) Loan Drawdown/receivable	200	-	-
(+) Loans from(to) other entities	-	-	-
(-) Loan Repayment	-	80	80
(-) Lease Liabilities	-	-	-
(-) Dividends	-	-	-
Financing Cashflow	400	(80)	(80)
Net Cashflows	255	(292)	56
(+/-) FX Adj.	-	-	-
EoP Cash Balance	305	13	69

Summary

Figure 1: Location of the Younami Project. 30km from RMS's Penny Deposit, Western Australia.



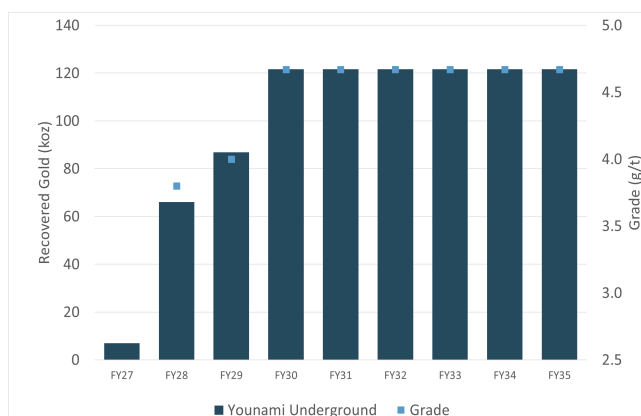
Source: RXL

Figure 2: Euroz Hartleys Market Stats

MARKET STATS		
Share Price	0.43	A\$/sh
Price Target	0.64	A\$/sh
Valuation EH Deck	0.44	A\$/sh
Val @ Spot US\$3640	0.84	A\$/sh
Shares on issue	747	m
Performance shares	36	m
Total Dil. FPOrd	783	m
Market Cap (dil)	\$337	m
Enterprise Value	\$286	m
Cash and Bullion	\$50	m
Debt	\$0	m

Source: Euroz Hartleys

Figure 3: EH Updated Production Profile with a 900ktpa plant



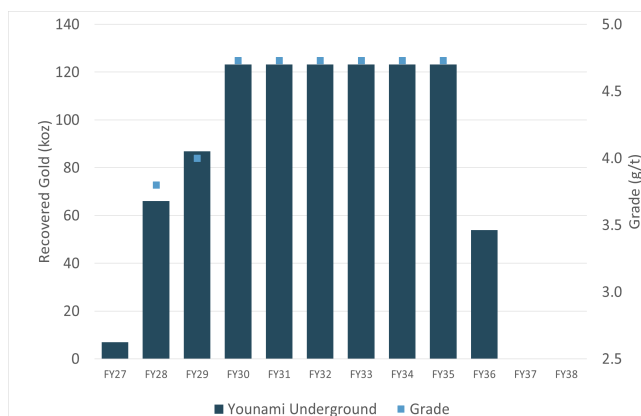
Source: Euroz Hartleys (on RXL PFS numbers)

Figure 4: Val and Price Target (PT) a 50/50 split of EH Deck (US\$2650/oz FX0.70) and Spot prices (US\$3640/oz FX0.65)

VALUATION		
	A\$m	A\$/sh
(+) Younami	644	0.52
(-) Tax	-174	-0.14
(-) Corporate	-31	-0.03
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	540	0.44
Val @ Spot US\$3640	1041	0.84
Average		0.64

Source: RXL

Figure 5: Euroz Hartleys BULL Scenario with a 1Mtpa plant.



Source: Euroz Hartleys

Figure 6: Euroz Hartleys BULL Scenario a 50/50 split of EH Deck (US\$2650/oz FX0.70) and Spot prices (US\$3640/oz FX0.65)

VALUATION		
	A\$m	A\$/sh
(+) Younami	821	0.67
(-) Tax	-201	-0.16
(-) Corporate	-31	-0.03
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	689	0.56
Val @ Spot US\$3640	1318	1.07
Average		0.81

Source: Euroz Hartleys

Executive Summary

We have made changes to our financial model to include the following;

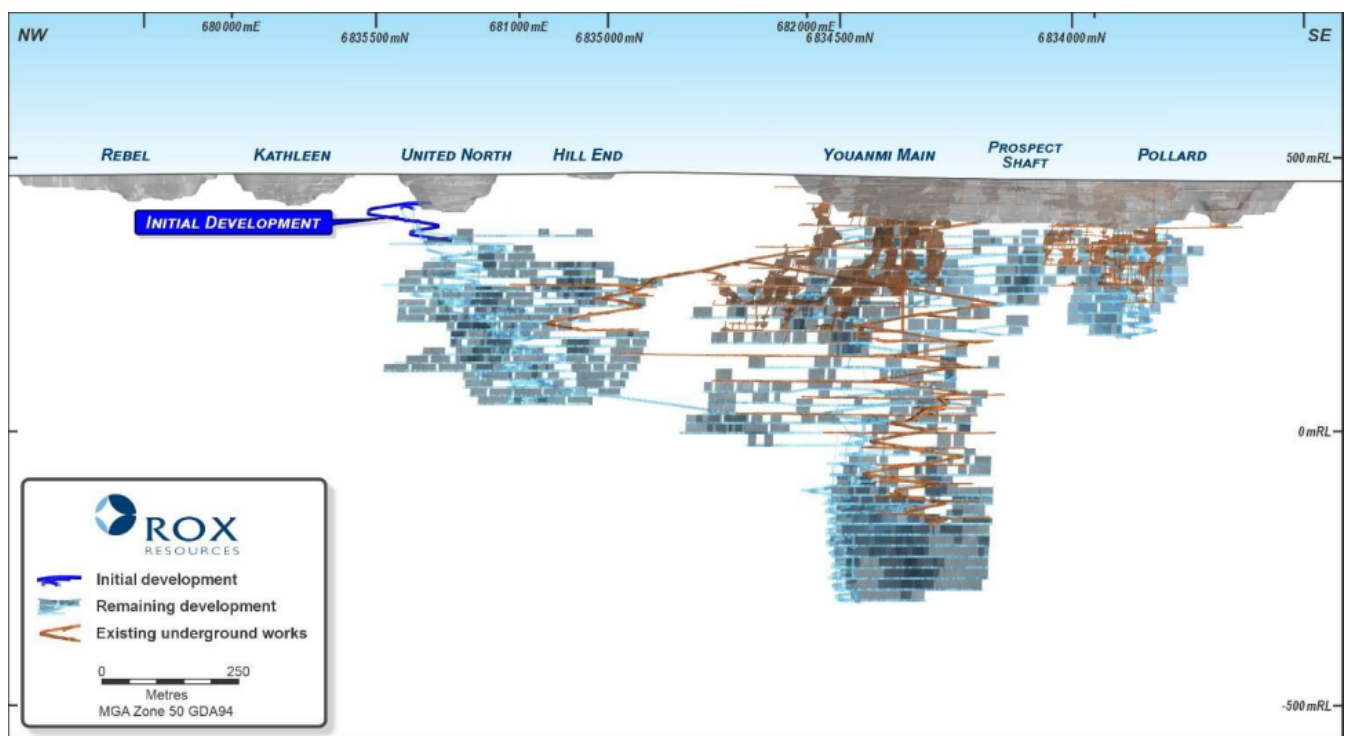
- Increasing the diluting price from \$0.36/sh to \$0.43/sh to full production.
- Reducing the milling capacity from 950ktpa to 900ktpa
- Updating our gold price deck to reflect a long term gold price of US\$2650/oz FX0.70 (previously US\$2250/oz FX0.72).

The changes results in a significant increase to our price target from \$0.59/sh to \$0.64/sh.

The confirmation of Byrnegut should be well received by the market. A Tier one contractor has many benefits - as we listed on the front page of this report.

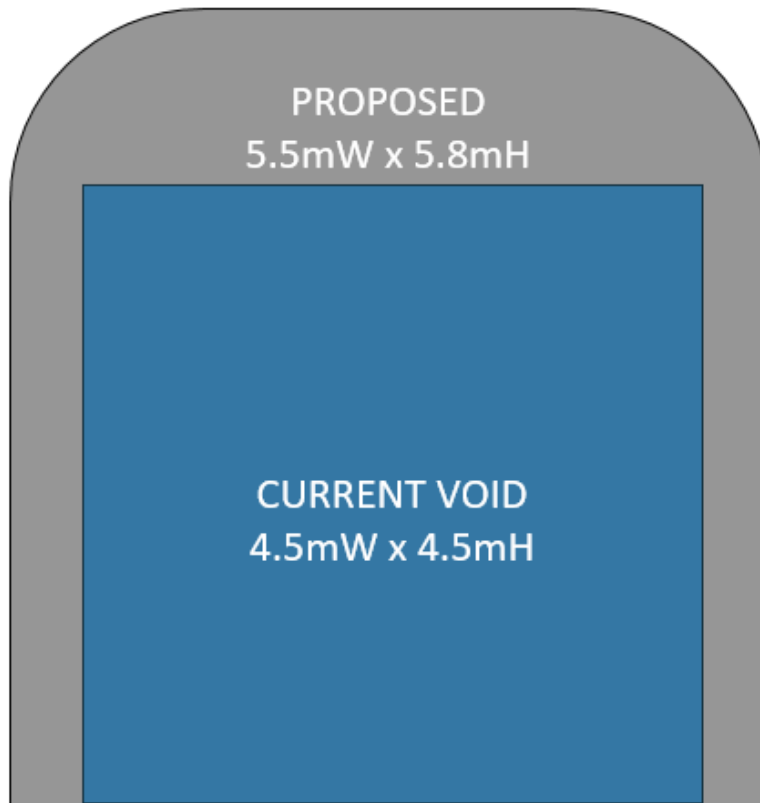
The company has released a diagram which clearly demonstrates where existing development is (Youanmi and Pollard) and where new development will go (United North). From the underground platform at United North, the company can complete infill drilling and other exploration (upside) to the current plan.

Figure 7: RXL mine plan for the Youanmi project. Highlighted in blue is the initial underground development at United North where the company will use underground exploration drill rigs to infill drill United North. There is every opportunity for the company to find more gold as a results (see recent exploratino success).



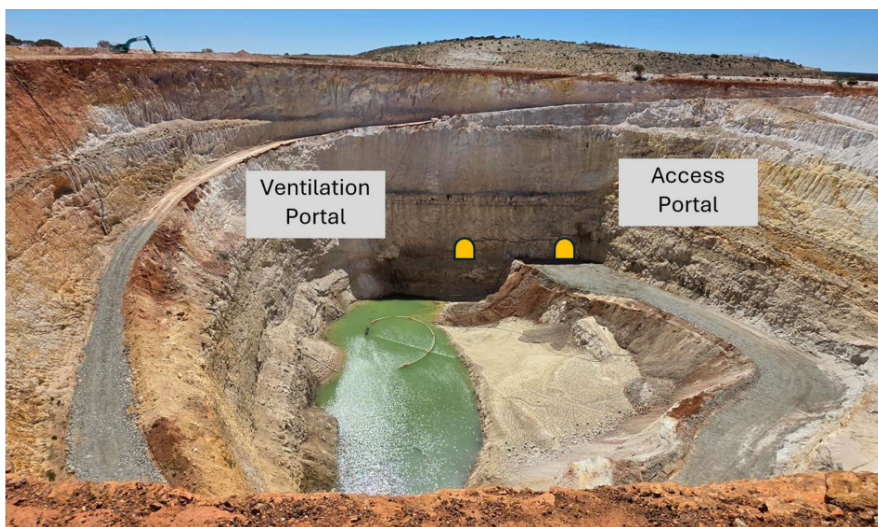
Source: Euroz Hartleys

Figure 8: The image below highlights why the vertical advance rate is so much faster (and cheaper) for RXL at Youanmi in particular. The existing Youanmi decline is 4.5mW x 4.5mH with a square profile. The company just needs to strip it to 5.5mW x 5.8mH to utilise up to 60t trucks underground. Less drill and blast. Less waste movement. Increased lateral and vertical advance rates as a result.



Source: Euroz Hartleys

Figure 9: The company has also released the position of the United North portals. Whilst the 'white' looks like kaolin - it is competent host rock (as we observed on a site visit too).



Source: Euroz Hartleys

The Metallurgy Explained

The Albion process seems complicated, but it really is not (as we demonstrate). Yes, it is more expensive than conventional processing solutions, but our model suggests that the current share price correlates to a gold price of US\$2600/oz. Hence the leverage.

Gold price is what is really unlocking this project - but hasn't it done the same to others? Just look Catalyst Metals as an example.

Whilst the metallurgy has a few additional steps at Youanmi, remember, this is a chemical process proven extensively across the base metals sector. And when it comes down to economics, this project at steady state production will generate >\$300mp.a. FCF.

The best part is, as the first company to have the I.P on this metallurgical process, they have the first mover advantage to unlock similar deposits across Australia. It also puts a nice target on the companies back.

In this note we try and simplify the Albion process. Talking investors step by step how the process works.

Firstly, there are 2 types of ore at Youanmi, and these are characterised by their different physical properties.

Those being non-sulphide bearing ores and sulphide bearing ores.

- The non-sulphide bearing ore just requires crushing, grinding and then goes through the CIL process. **Only 5% of the total gold is in this non-sulphide ore, but accounts for ~90% of the tonnes mined.**

So most of the gold is associated with sulphides but there are two types. Pyrite and arsenopyrite. Test-work has demonstrated a ratio of 10:1 for pyrite to arsenopyrite.

- **Pyrite associated gold (+75% of contained gold) only requires ultra-fine grinding** as the gold is NOT locked within the crystal lattice of the iron sulphide (gold is not in solution). **The addition of fine-grinding is why this is called semi-refractory.** Instead, the gold is physically separate and when ground fine enough (10-12 micron), the gold is exposed for cyanide to dissolve it. A 94% recovery can be achieved.

Because 75-77% of the recovered gold at Youanmi is associated with pyrite - we see this as a low threshold for success as ultra-fine-grind is the only intermediary step to unlocking this gold. This coupled with the conventional ore accounts for +100kozpa of the gold production per annum.

- **Arsenopyrite** is the reason for all the confusion and **this is the refractory component of the mineralisation.** When gold is 'locked' in arsenopyrite, it requires oxidation to break down the sulphides around the gold, so the cyanide can get to the gold. **About 18% of the attributable gold production at Youanmi comes from the arsenopyrite, which requires oxidation through the Albion process.**

We understand that investors are approaching the process with caution because of the word 'refractory'. Just remember refractory ore is defined as any ore which requires fine-grinding or other pre-treatment before undergoing CIL. NST, DEG, GGP and EMR all use fine grinding in their metallurgical circuits.

Now you know that 90-95% of the ore (Pyrite and non-sulphide ore) can be recovered without the more complicated Albion oxidation step;

Sulphide types

Figure 10: RXL's key differentiator is that the gold is NOT in solution. The gold is on the outside of the sulphides and only requires ultra-fine grinding to liberate.

Sulphide Type	Refractoriness	Processing Impact	Cost Impact	Examples
Pyrite (gold in solution)	Moderate–high	Requires POX, roasting - acid management	Moderate Capital, Moderate increase to operational cost.	Fosterville (AgnicoEagle), SuperPit (NST), Hemi (NST), Lihir (Newmont)
Pyrite (gold not in solution)	Low	Only requires ultra fine grinding, acid management.	Moderate capital impact - marginal opex increase	Youanmi (RXL), Ararat (GPM Gold)
Arsenopyrite	High	Needs oxidative pre-treatment; Arsenic management required	Very high capex/opex	Wiluna Mining
Chalcopyrite	Moderate	Consumes cyanide; flotation often required	Higher reagent & circuit costs	McArthur River (Glencore)
Galena, Sphalerite, etc.	Low–moderate	Smelter penalties, complex metallurgy	Offset by by-product credits	Mt Isa (Glencore)

Source: Euroz Hartleys

Key elements of the metallurgical testing to date

Most queries and uncertainty regarding Youanmi come from a mis-understanding of the metallurgical process; specifically Albion.

We accept that at times, the ratio's of each material through the plant will vary, but that is why our internal model is effective - it has allowed us to run various scenarios to stress test it; with our results in-line with laboratory results from the company.

95% of the gold is in sulphides. 76% of the total gold is in the Pyrite and 19% is in Arsenopyrite. Just 5% of the gold 'free-milling'.

Figure 11: The table below breaks down the various elements of the ore.

Material	Proportion of Tonnes	Proportion of gold	Further breakdown	Attributable % Gold	Avg. Grade	Met Recovery	Attributable	% Attributable Gold
Pyrite	10%	92%	80%	73.6%	4.5	94%	3.11	76%
Arsenopyrite			20%	18.4%	4.5	94%	0.78	19%
Free-milling	90%	8%	100%	8.0%	4.5	55%	0.20	5%

Source: Euroz Hartleys

METALLURGY

```

graph LR
    Crush[Crush] --> Float[Float]
    Float --> Overflow[Overflow]
    Float --> Underflow[Underflow]
    Overflow --> UFG[U. Fine Grind]
    Overflow --> Arsenopyrite[Arsenopyrite]
    UFG -- 92% --> Arsenopyrite
    UFG -- 80% --> Pyrite[Pyrite + Gangue]
    Arsenopyrite --> Oxygenation[Oxygenation']
    Pyrite --> Oxygenation
    Pyrite --> Albion[Albion Process CIL]
    Underflow --> Albion
    Albion --> UnderflowCIL[Underflow CIL]
    UnderflowCIL --> Final[Final Recovery Metrics]
  
```

Crush

% Through	900
Total Thru-put	100%
% Gold in rock	4.71
Grade	136
Ounces (koz)	136

Float

Total Thru-put	900
% Gold in rock	100%
Grade	4.71
Ounces (koz)	136

Overflow

% Through	81
Total Thru-put	92%
% Gold in rock	48.2
Grade	125
Ounces (koz)	125

U. Fine Grind

% Through	81
Total Thru-put	92%
% Gold in rock	48.2
Grade	125
Ounces (koz)	125

Arsenopyrite

% Through	20%
Total Thru-put	16.2
% Gold in rock	48.2
Grade	25
Ounces (koz)	25

Pyrite + Gangue

% Through	80%
Total Thru-put	65
% Gold in rock	48
Grade	94
Ounces (koz)	94

Oxygenation'

% Through	16.2
Total Thru-put	94%
% Gold in rock	45.3
Grade	22
Ounces (koz)	22

Albion Process CIL

% Through	81.0
Total Thru-put	44.8
% Gold in rock	116.6
Grade	Underflow CIL
Ounces (koz)	819
	0.41
	55%
	6

Underflow

% Through	91%
Total Thru-put	819
% Gold in rock	8%
Grade	0.41
Ounces (koz)	11

Final Recovery Metrics

Total Tonnes	900
Grade	4.24
Ounces	123
Met Recovery	90%

Additional Metrics

Require Oxygenation	18%
Ultra Fine Grind Only	77%
Free Milling	5%

Source: Euroz Hartleys

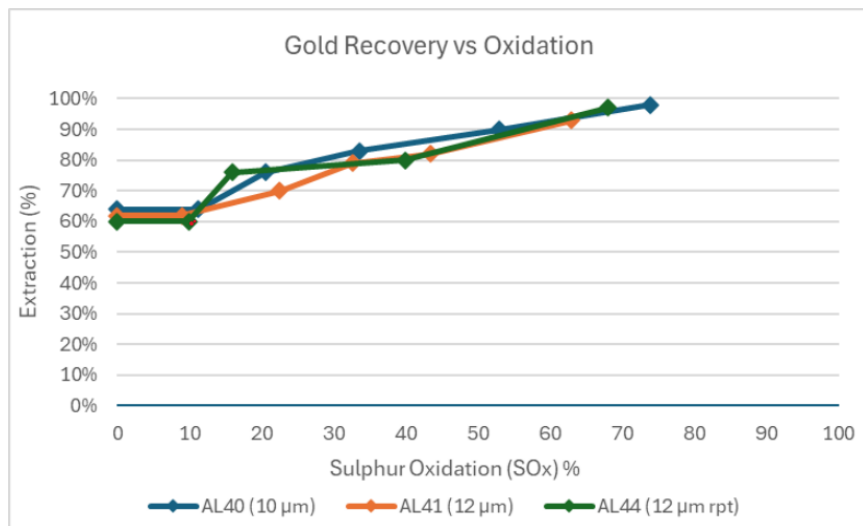
- **Crushing system fails:** Unlikely to have issues here as this is stock standard across all gold processing circuits.
- **Flotation system fails:** Sulphide flotation is not new, and is well tested and understood in base metals. We don't see risk to this.
- **Ultrafine Grind:** Once again, the Isa Mill (and ultra-fine grinding) is not new and is used extensively. We don't see risk to this failing.
- **Albion (oxygenation of the Arsenopyrite):** If this fails, the overall recovery falls from 90-92% to about 74%. This is a risk we model in our bear case.

		Albion CIL - Metallurgical Recovery 900 ktpa					
	121	0%	20%	40%	60%	80%	94%
Thruput	500	55	56	57	60	64	67
	600	66	67	69	72	77	81
	700	77	78	80	84	90	94
	750	83	84	86	90	96	101
	800	88	89	92	96	102	108
	850	94	95	98	102	109	115
	900	99	100	103	108	115	121
	950	105	106	109	114	122	128

Source: Euroz Hartleys

Grind size: The company has confirmed an ultra-fine grind size of 10um or 12um will be selected for the final mill build (this is a bet on previous studies which indicated 8um might be needed). We have adopted a more conservative view on processing utilising the 10um power draw 117kwh/t at a power cost of \$0.28/kwh. The PFS cites a processing cost of \$73/t which we have kept the same in our modelling (we have increased our mining costs).

Figure 14: The oxidation curves, suggest there is no difference between 10 and 12 micron grinds.



Source: RXL

Figure 15: Power cost assumptions used by RXL are in line with others - so we are comfortable with this assumption used by the company which is one of the biggest drivers of cost alongside lime consumption (reflected in the operational consumables for RXL). The company has also been transparent about the metallurgy costs which we go into detail later.

Other Processing Costs	RMS	LRV	AAR	MEK	RXL
Date of release	12/12/2024	6/05/2025	25/06/2025	30/05/2024	24/07/2024
Project Name	Rebecca Roe	Hill Grove	Mandilla	Meekatharra	Youanmi
Processing Size	3Mtpa	0.5Mtpa	2.75Mtpa	0.75Mtpa	0.75Mtpa
Power	9.78	8.91	5.57		27.7
Maintenance	1.33	5.2	1.14		1.74
Op. Consumables	12.66	15	8.67		24.3
Labour	3.85	20	3.27		15
General and Admin	0.34	1.51	0.3		3
Total	27.96	50.62	18.95	39	71.74
Power Cost	Not mentioned	28c/kWh	22c/kWh	27c/kWh	28c/kWh

Source: Euroz Hartleys

What impact does the processing have on cost? The Albion process involves the addition of a Isa Mill for the ultra-fine grind of the float. The company has indicated the power draw for **10 and 12 micron is 117kwh/t and 77kwh/t**.

With a power cost of \$0.28/kwh - the overall additional cost for ultra-fine grinding is <\$3/t ore processed, and oxygen sparging <\$9/t (EH assumes 3x fine grinding cost). The rest of the per-tonne cost comes from the additional lime consumption and just a factor of 'scale' (smaller plants cost more to run largely due to fixed costs).

Figure 16: Just 9% of the ore needs to be put through the Isa Mill for fine-grinding and oxygenation. We estimate this would add <\$12/t to overall processing cost. The cost of lime is also a factor we need to consider which is required to balance the pH - that is in addition to the costs mentioned in this table, but is reflected in the breakdown of processing costs as operating consumables,

	10um	12um
Power kW/t for UFG	117	77
Cost \$/kWh	0.28	0.28
Power Cost Per tonne (\$)	32.76	21.56
Tonnes Through Fine-Grind	9%	9%
Cost of increase in cost to UFG	2.9	1.9
Oxygen Cost kw/t	351	231
Cost \$/kWh	0.28	0.28
Power Cost Per tonne (\$) extra	8.8	5.8
Total Cost/t added to processing (\$)	11.8	7.8

Source: Euroz Hartleys

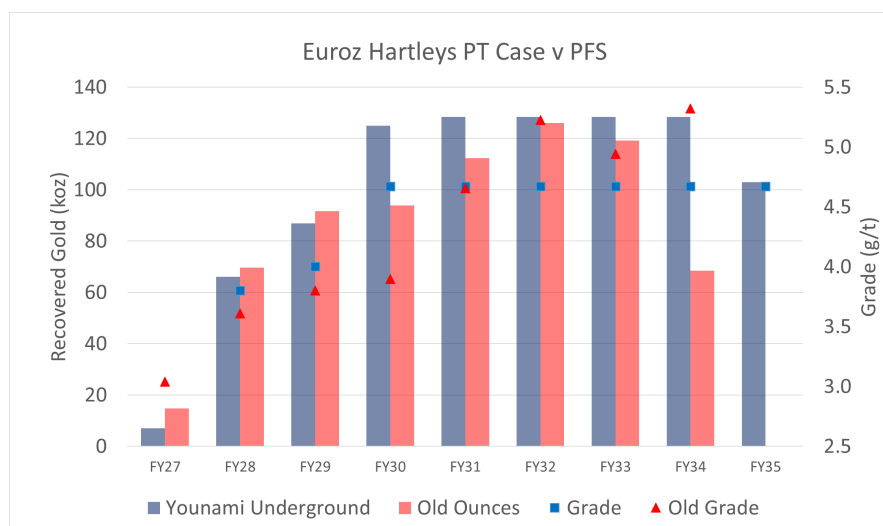
Model Assumptions

Mining Assumptions: We update our mining assumptions. The ore-body is 1.5mW on average, but we consider 2mW to be an appropriate mining width (especially noting the ground conditions which are hard and competent). We thus dilute the grade by 33% to account for this. We expect that we will achieve a high mining recovery with this methodology, but have introduced a mining recovery of 95% to our numbers (noting that 90% of the gold sits in the 10% of the ore) to account for under-break into high-grade.

How has this changed our mining assumptions? We have updated our mining assumptions in our Price Target model to the following.

- Minal inventory has reduced from 1482koz to 1037koz (pre processing).
- Mined grade reduced from 4.8g/t to 4.67g/t Au.
- Reduced milling capacity from 950ktpa to 900ktpa (Bull Case run at 1mtpa).
- Gold production decreased from 112kozpa to 108kozpa on average (Bull case at 129kozpa)
- Mine life increases to 8 years (PFS 7.7 years)
- Mining costs have increased from \$105/t to \$130/t
- Processing cost flat at \$71/t
- AISC increases from A\$1676/oz in the PFS to A\$1812/oz.
- Increased pre-production capital from \$250m to \$300m. Maintained a 50:50 debt: equity ratio, diluting SOI for the issue of \$200m worth of shares @ \$0.43/sh to full production and \$200m drawdown in debt paid back over 4 years.

Figure 17: EH has re-modelled what we think the DFS could look like (adding on an extra 1.5 years).



Source: Euroz Hartleys

What grade can we expect in mining? We believe the ore-body is 1.5m wide on average (see updated JORC tables). Applying a 2m minimum mining width, we thus see the grade being diluted by 33%. This 2mW MSO is also what the PFS was based on. We also believe there will be some ore-loss through mining (under-break). So the resource grade of 6g/t becomes 4.67g/t in our internal estimate for a potential updated reserve grade. This is in line with the current reserve grade of 4.4g/t. Is this 2m assumption conservative for a 1.5mW ore-body on average? No. As most of the grade sits in just 10% of the 'ore' we welcome some over-break which sees all the gold recovered. The latter, underbreak, could see most of the gold left behind because its held in small domains.

So, what production can we expect? We expect that 100-120+kozpa is achievable using conservative mine production metrics. Our mine production metrics are based on lived experience running operations of this scale. We assume 2-3 declines, advancing at 50-75m vertically every year, with 15-20m inter-level spacing and 76mm floating booms.

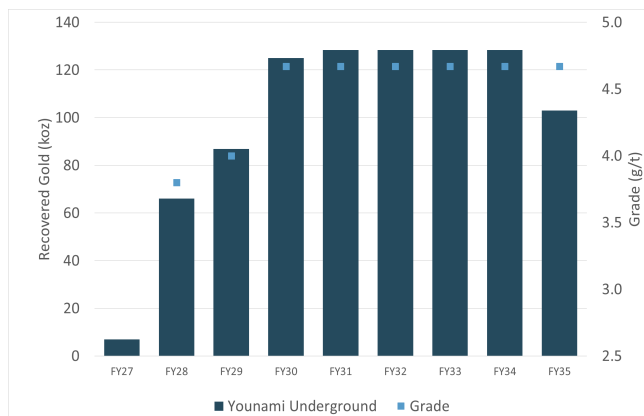
Figure 18: How Euroz Hartleys has converted the Resource into a potential updated Reserve. Note we only consider the material which has a classification (we do not assume growth) noting JORC allows for 30% of Inferred material to be included - we see this as a conservative approach to modelling, but one that is higher-confidence.

Converting Resource to Reserve		Comments
Resource		
Tonnes	9000	Indicated plus 50% of the Inferred
Grade	6.22	Indicated plus 50% of the Inferred
Ounces	1800	Indicated plus 50% of the Inferred
MSO Total		
Average Ore Body Width	1.5	Specified on page 10 of the June Resource update.
Minimum Mining Width	2	Number Euroz Hartleys is comfortable with for assets of this nature (narrow vein).
Dilution	33%	Calculation based on minimum mining width and average mineralisation width.
Diluted Tonnes	12000	Factor of multiplying Indicated tonnes by 1+dilution.
Mining Recovery	100%	Mining underbreak resulting in some ore-loss (assume none).
Recovered Diluted Tonnes	12000	Not all of the rock makes it out of the mine.
Mined Recovered Grade	6.22069	Factor of grade reducing due to mining recovery
Diluted Grade	4.7	Applying the dilution to the under-break grade.
Ounces	1800	Mine Optimiser Total Ounces
Mining Factors		
Stope Strike	20	Assumption based on rules of thumb. Conservative noting ground conditions observed in core.
Pillar Width	5	Standard for operations of this nature - not expecting seismicity or squeezing.
Sill Pillar Distance	100	Assume that every 5 levels, one is left as a regional stability pillar.
Level recovery	80%	Factor of 5m every 25m being left as a stability pillar.
Total spatial area of Sill	80%	Factor of one level every 5 is left behind as a regional stability pillar.
Total recovery of resource	64%	i.e. of the 80% in MSO (with 20% left for regional sills), 80% is mined.
Edge of resource risk factor	90%	Assumes the edge of the indicated category is high-risk and left behind.
Total Potential Mining Inventory		
Tonnes	6912	Total Mined tonnes
Grade	4.67	Total Mined Grade
Ounces	1037	Total Mined Ounces

Source: Euroz Hartleys

Scenarios

Figure 19: EH Valuation model based on 900ktpa processing plant, with thrupt grade of 4.6g/t for average run rate of 108kozpa over 8 years



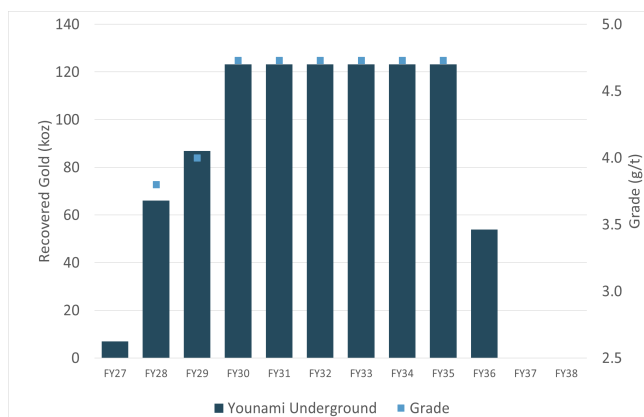
Source: Euroz Hartleys

Figure 20: Our Price Target is 64c using an average of Spot and EH Deck prices for gold.

VALUATION		
	A\$m	A\$/sh
(+) Younami	644	0.52
(-) Tax	-174	-0.14
(-) Corporate	-31	-0.03
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	540	0.44
Val @ Spot US\$3640	1041	0.84
Average		0.64

Source:

Figure 21: Euroz Hartleys BULL Scenario with a 1Mtpa plant.



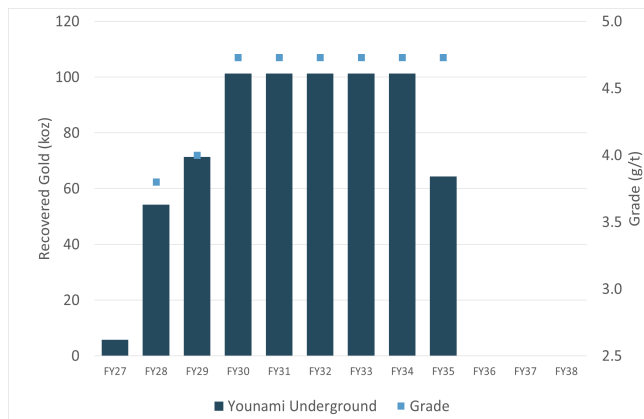
Source: Euroz Hartleys

Figure 22: Euroz Hartleys BULL Scenario

VALUATION		
	A\$m	A\$/sh
(+) Younami	821	0.67
(-) Tax	-201	-0.16
(-) Corporate	-31	-0.03
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	689	0.56
Val @ Spot US\$3640	1318	1.07
Average		0.81

Source: Euroz Hartleys

Figure 23: (Bear Case) Same physicals as the EH PT Case but assume failure of the Albion process for overall gold recovery of 74% (down from 90% used in PT model).



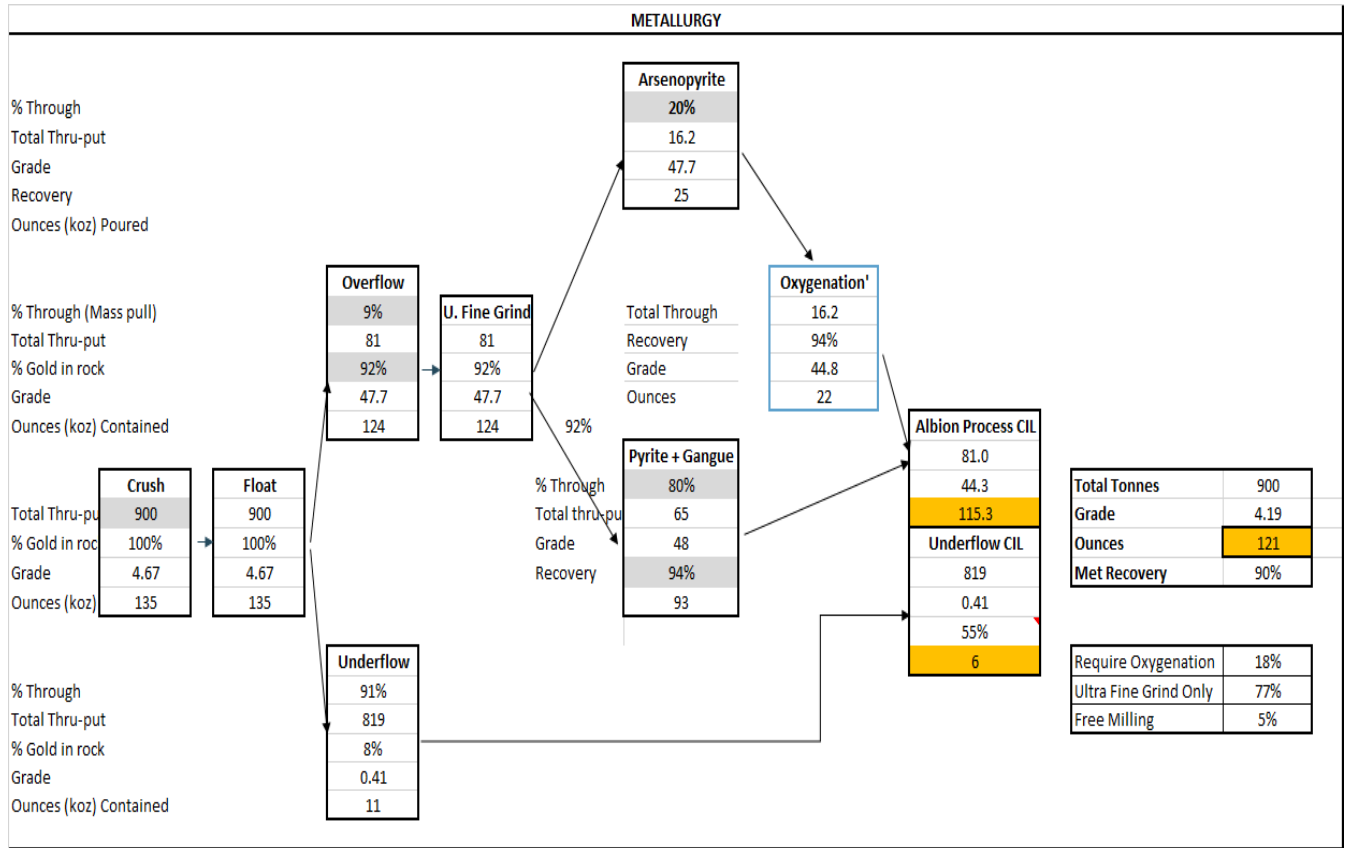
Source: Euroz Hartleys

Figure 24: (Bear Case) assuming the Albion process fails entirely. Effectively, the current share price is telling us - it is priced to fail.

VALUATION		
	A\$m	A\$/sh
(+) Younami	134	0.11
(-) Tax	-39	-0.03
(-) Corporate	-31	-0.03
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	165	0.13
Val @ Spot US\$3640	803	0.65
Average		0.39

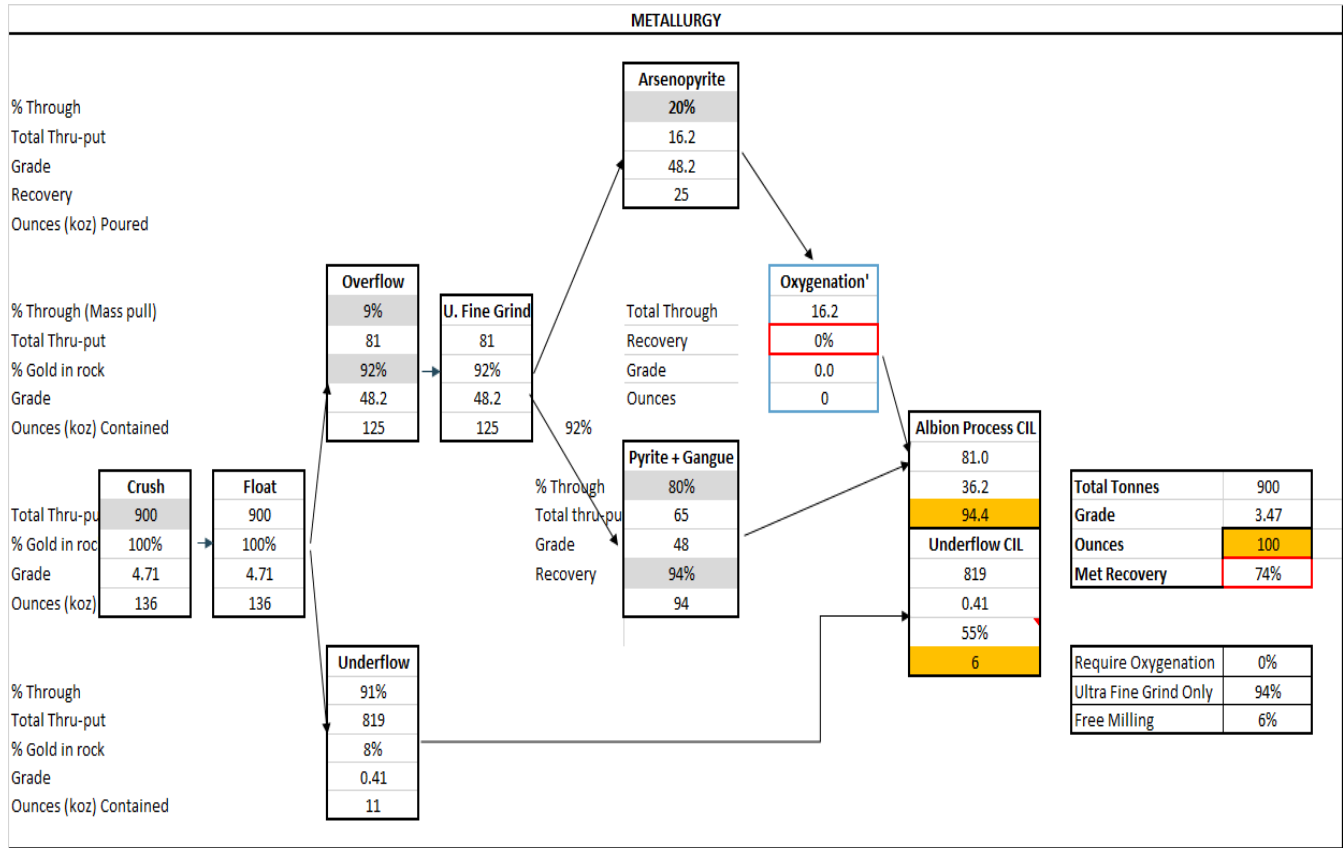
Source: Euroz Hartleys

Figure 25: Below is the processing flow sheet for Albion which demonstrates how the ore mass balance works with a 900ktpa mill (whilst the PFS suggests 750ktpa company updates suggest it will be larger). It suggest a 9% mass pull through the float circuit and importantly, 90% of the gold (94koz Pyrite and 6koz Underflow divided by 136koz put into the mill) can be recovered WITHOUT oxygenation of the arsenopyrite through the Albion process.



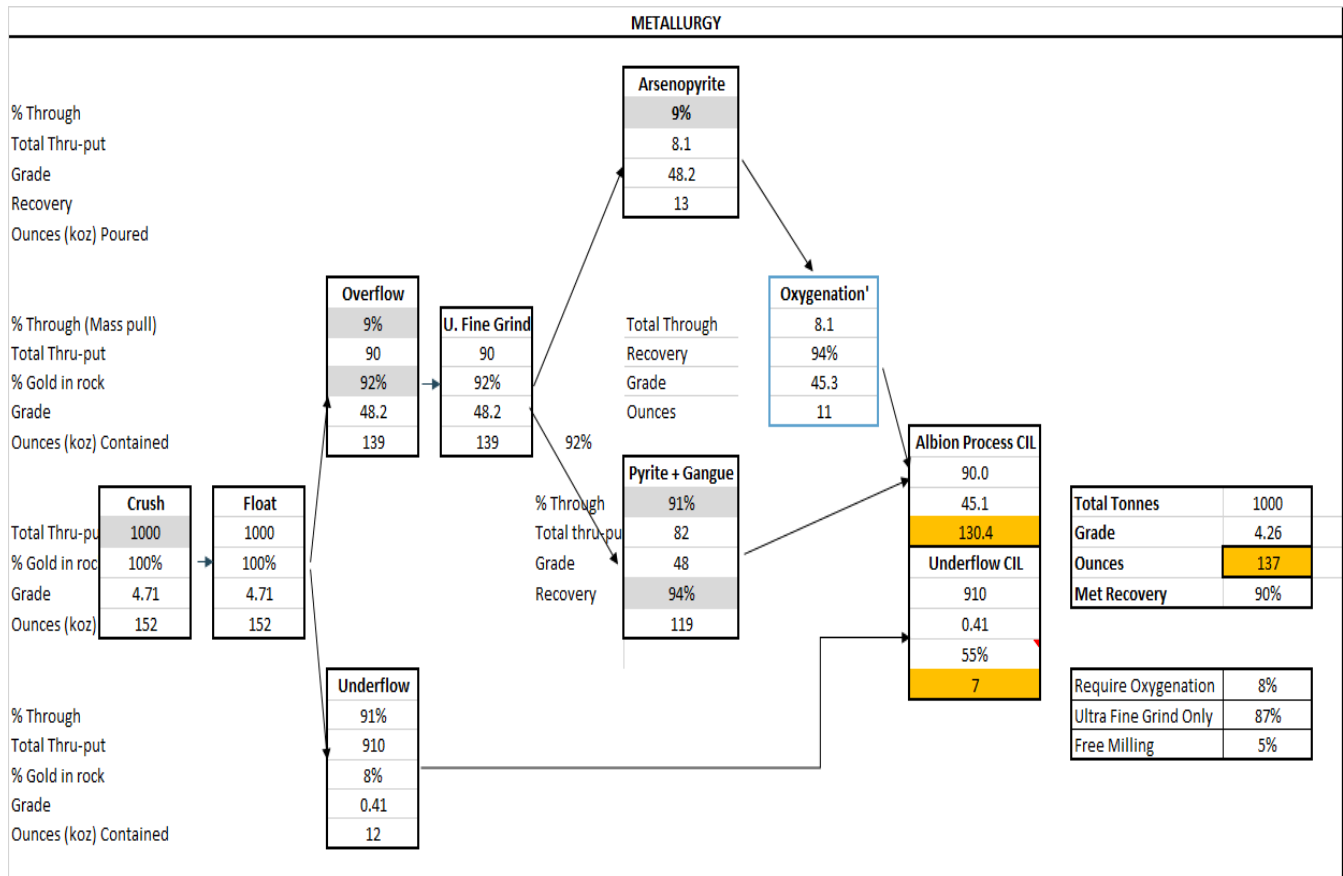
Source: Euroz Hartleys

Figure 26: BEAR scenario. We see failure in the Albion (oxygenation) of Arsenopyrite as the biggest risk to delivery of this project - however bulk metallurgical testing has demonstrated the process works (alongside precedent at other sites). If Albion fails, average gold recovery would fall to 74% on average from a theoretical perspective and 94% of the recovered gold would rely on the ultra-fine grind process and 6% on the free milling ore.



Source: Euroz Hartleys

Figure 27: Our Bull Case scenario (which is the likely scenario) considers the 10:1 Pyrite to Arsenopyrite ratio mentioned in Metallurgical studies. Whilst the over-all ounce production does not change, the reliance on Oxygenation is significantly reduced from 18% of Gold production in our PT model to 8% in our Bull Case.



Source: Euroz Hartleys

Frequently Asked Questions

What gives you certainty on mineralisation continuity? The Indicated category has been done on <40m x 40m spacing. Further, prior to production, the company intends on putting in underground exploration drives from United North and Pollard to grade control drill to <15m x 15m. **This underground development is set to begin in Q4 CY25.**

We also note that highly regarded consultants, Cube, have conducted an external review of the MRE and found no material issues. Cube also noted in their comparison of historic stope production data with underground grade control sampling that the UG samples reported 9% lower grades than those mined i.e. the resource could reconcile higher.

Why did the company elect to use the Albion process instead of BIOX or POX? A few reasons, which are detailed in the PFS which demonstrate all the trade-offs. You can find it on page 38 of the PFS. We think its logical because 8% of the gold can be unlocked which is about 9koz (or \$50m per annum in revenue at spot prices). The incremental cost of capital for Alvion is just \$40m (so in effect, the company pays for it very quickly).

What are there risks to the plan? A lot has changed since the PFS in July 2024, namely gold price. With it, the number of projects coming online and expansions to existing mines has created a 'tightness' in the labour market for underground workers in particular. This is traditionally handled by consultants doing mine studies by 'derating' jumbo advance rates. Whilst these numbers are not incorrect, we believe they do need updating. BGL has updated their mine schedule to 275m/month from 300m/month (see BGL Investor Site Visit presentation on 30 April 2025), KGL Resources have used 250m/month (See KGL announcement on 10 February 2025), MEK have scheduled 220m/month (see PFS study from 12 December 2024), RMS have used 240m/month (see RMS announcement on 12 March 2024, page 21). **We understand all assumptions will be reviewed in the DFS.** Other assumptions are in line with those used in other studies.

Figure 28: The company makes the following assumptions in the July 2024 PFS to achieve an average production rate of 103kozpa.

Activity	Rate
Jumbo Development (multi heading)	300 m/month/Jumbo
Rehab Advance Rate (multi heading)	400 m/month/Jumbo
Rehab Advance Rate (single heading)	200 m/month/heading
Decline Advance Rate	80-100 m/month
Other Development Advance Rate	60-80 m/month
Ore Drive Advance Rate (geology controlled)	60 m/month
Stope Boggging	1,000 t/day
Production Drilling	230 m/day
Backfilling – Waste Rock Fill	1,000 t/day
Backfilling – Cemented Rock Fill	1,000 t/day

Source: RXL

Doesn't the project need clean water? Yes, the Albion process requires low salinity water and the water produced by the undergrounds is hyper-saline. So what? Typical goldfields water. We note that the word, 'Youanmi' is named after a local spring and historical data points suggest there were freshwater aquifers to draw water from as seen in the 2011 submission by this government document from 2011. We expect at worst, if the water is too saline, a reverse osmosis plant would cost \$10m to produce water suitable for the Youanmi processing facility which is more than covered in our capital contingency requirements.

Figure 29: A government database from 2011 shows that Apex Resources who previously held the Youanmi project did have groundwater well licences for 1.48GL/year.

Table 4 Existing and proposed mining and industry projects as of July 2011 requiring water resources

Company	Project name	Commodity	Project status	Groundwater well licence status ¹	Licensed or estimated total annual water abstraction (GL/yr)
Mining					
Hudson Resources Ltd	Lake Narramyne	Attapuligite	Operational	Licence held	0.01
MMG Golden Grove Pty Ltd	Golden Grove	Base metals	Operational	Licence held	3.66
Magellan Metals Pty Ltd	Wiluna Operations	Base metals – lead carbonate	Operational	Licence held	2.5
Aviva Corporation Ltd	Central West Coal Mine	Coal	Proposed	Under assessment	7.2
Sandfire Resources NL	DeGrussa Copper-Gold Project	Copper and gold	Proposed	Under assessment	1.6
Apex Minerals NL	Wiluna Operations	Gold	Operational	Licence held	5.14
Apex Minerals NL	Gidjee Gold Project	Gold	Care and maintenance	Licence held	2.29
			Proposed for redevelopment	No application received	Will remain at 2.29
Apex Minerals NL	Youanmi Gold Project	Gold	Care and maintenance	Licence held	1.48
ATW Gold Corporation Pty Ltd	Gullewa Gold Mining Project	Gold	Care and maintenance	Licence held	0.15
Jinka Minerals Limited	Burnakura Mine	Gold	Care and maintenance	Licence held	0.6
Big Bell Gold Operations Pty Ltd	Golden Crown Mine	Gold	Care and maintenance	Licence held	1.0
Barrick Gold of Australia Ltd	Plutonic Gold Mine	Gold	Operational	Licence held	9.8
Minjar Gold Pty Ltd	Minjar Gold Project	Gold	Care and maintenance	Licence held	0.8
			Proposed for redevelopment	No application received	Unknown
Murchison Copper Mines Pty Ltd (Horseshoe Metals Limited)	Horseshoe Lights Mine	Gold/Copper	Care and maintenance	Licence held	0.024

Source: Australian Government

Is dewatering a risk? The dewatering is currently going ahead of schedule, with additional evaporation capacity under application. There is no reason to believe it is a risk - but it is a schedule constraint to be aware of i.e. dewatering needs to remain on track for deliver of the projects pre-production activity.

Is the timeline aggressive? Only if you have not built mines before. It is up to management to deliver it now, and they have a good track record.

Why is it so cheap? We see opportunity where others don't. We also called the same for SPR when no one wanted to buy it in August 2023. We think it comes down to a mis-understanding of the metallurgy.

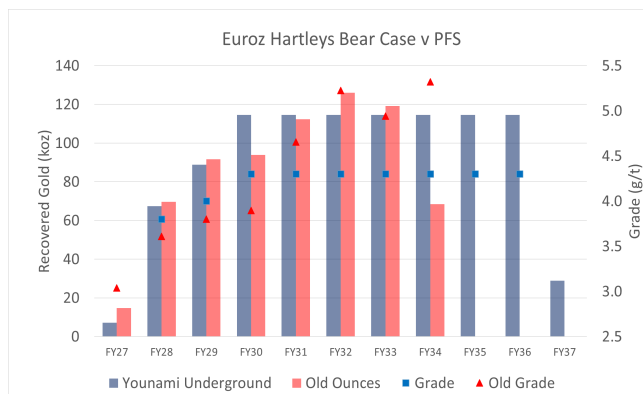
Figure 30: Comps table of ASX listed developers. RXL is trading below the average EV:Rsc metric.

Developer/Explorer Company	Ticker	Price A\$/sh	M Cap A\$m	Net Cash/(Debt) A\$m	EV A\$m	Resource koz	Reserve koz	EV/Rsc A\$/oz	EV/Rsv A\$/oz	Grade g/t Au
Predictive Disc Ltd	PDI	0.37	918	69	849	5,528	2,950	154	288	1.66
Robex Resources	RXR	4.20	912	1	912	3,991	1,410	228	647	0.96
Santana Minerals Ltd	SMI	0.80	658	108	550	3,344	1,240	165	444	2.30
Turaco Gold Limited	TCG	0.47	511	83	428	3,550	0	120	na	1.35
WIA Gold Limited	WIA	0.32	459	29	430	2,120	0	203	na	1.00
Antipa Minerals Ltd	AZY	0.69	433	37	396	2,500	0	159	na	1.51
Ausgold Limited	AUC	0.93	417	12	405	3,040	1,253	133	323	1.06
Minerals260Limited	MI6	0.18	389	54	335	2,300	0	146	na	1.20
Benzmining	BNZ	1.42	365	12	353	1,542	0	229	na	4.32
Rox Resources	RXL	0.43	332	51	282	2,170	546	130	516	4.40
Astral Resources NL	AAR	0.19	282	19	264	1,760	1,100	150	240	1.10
Gorilla Gold Mines	GG8	0.40	266	25	241	778	0	310	na	4.70
Aurumresources	AUE	0.62	264	47	217	2,468	0	88	na	1.00
Satum Metals	STN	0.55	245	27	218	1,839	0	118	na	0.60
Warriedarresourtd	WA8	0.18	240	24	216	2,301	0	94	na	1.86
GBM Resources Ltd	GBZ	0.04	180	6	174	1,510	0	115	na	1.20
African Gold Ltd.	ATG	0.29	162	12	150	989	0	151	na	2.50
Ballardmininglimited	BM1	0.47	158	34	124	1,100	0	113	na	3.30
Titan Minerals	TTM	0.40	112	9	102	3,100	0	33	na	2.23
Horizon Gold Ltd	HRN	0.62	105	12	94	2,137	0	44	na	1.50
Toubani Res Ltd	TRE	0.31	98	11	86	2,200	1,560	39	55	0.88
Mean			357	32	325	2,394	479	139	359	1.94
Median			282	25	264	2,200		133	323	1.50

Source: Euroz Hartleys

What if the Albion process does not work? If the Albion process does not work, we can expect overall recovery of gold to drop to 74%. If we run this through our model, this is where the stock is trading now. i.e. **The market is pricing in complete failure of the project - and that is where we see the opportunity with the gold price. We have to put in spot prices of US\$2300/oz in our model to land at the current share price of \$0.36/sh. Hence the leverage in this story.**

Figure 31: EH Bear Scenario where gold production is still averaging +100kozpa for 10 years.



Source: Euroz Hartleys

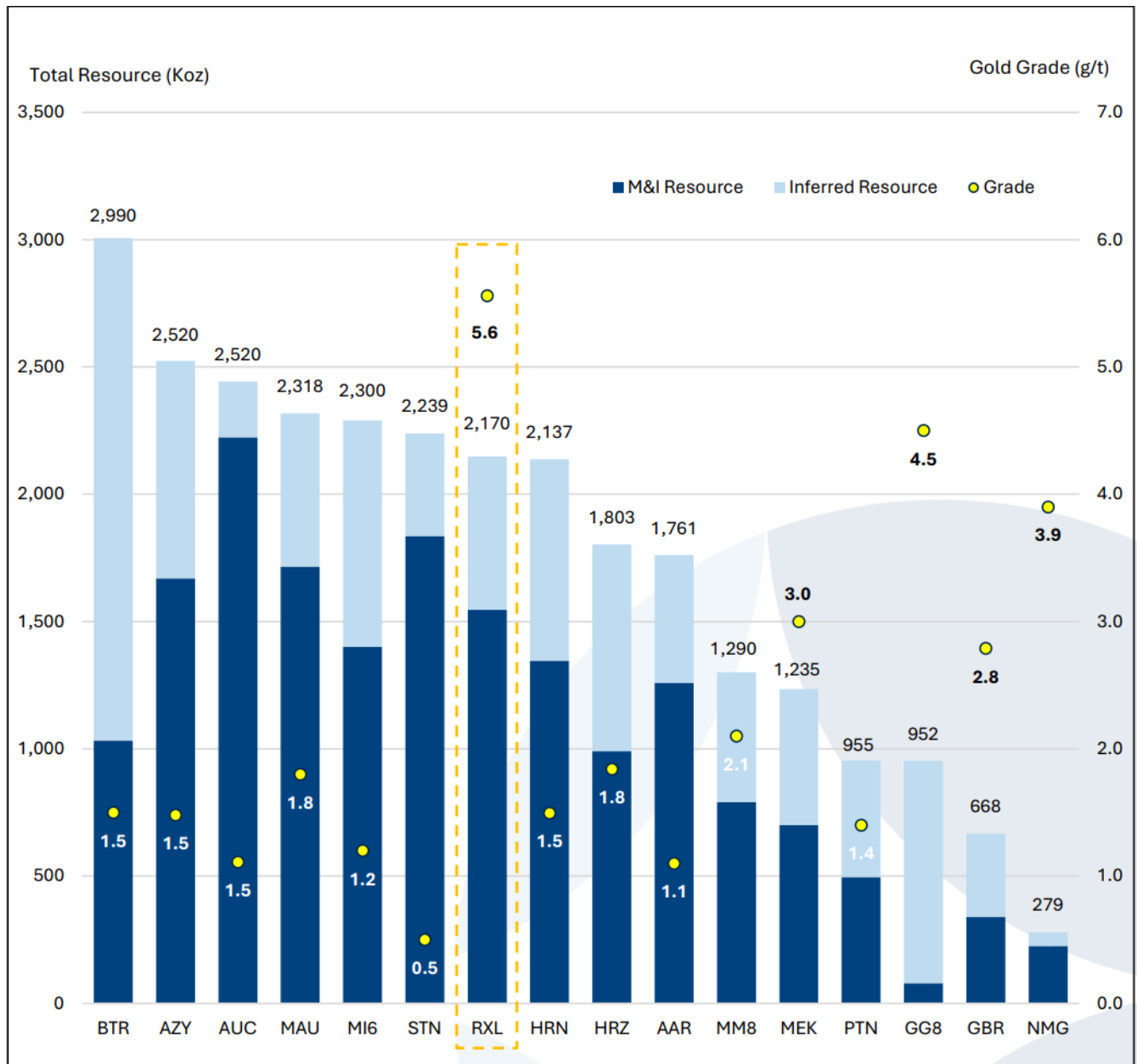
Figure 32: Effectively, our Bear scenario which assumes failure of the Albion (oxidation process) and thus an overall metallurgical recovery of 74%.

VALUATION		
	A\$m	A\$/sh
(+) Younami	134	0.10
(-) Tax	-39	-0.03
(-) Corporate	-31	-0.02
(+/-) Hedging	0	0.00
(+) Undeveloped Resources	0	0.00
(+) Cash	50	0.04
(+) Exploration	50	0.04
(-) Debt	0	0.00
Val @ EH Deck	165	0.12
Val @ Spot US\$3450	721	0.54
Average		0.33

Source: Euroz Hartleys

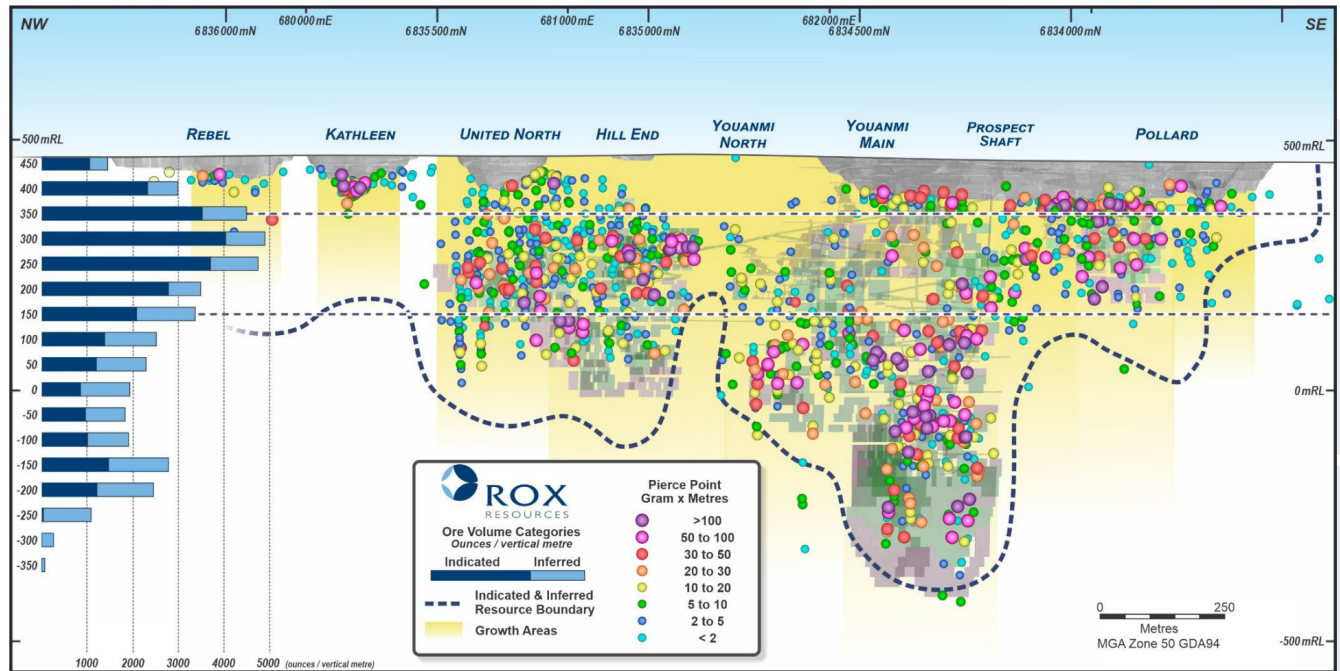
Who else uses Albion? Nordenham (Glencore) producing 16ktpa Zinc at 99% recovery, Ararat (GeoProMining) producing 120kozpa gold at 92% recovery, San Juan de Neiva (Glencore) producing 5,000tpa with 98% recovery, Sable (Jubilee Metals Group) 12,000tpa copper concentrate, McArthur River Mine (Glencore), 150kt Zinc concentrate, Las Lagunas tailings (PanTerra Gold) producing 80kozpa at >80% recovery, Mt Isa Mines Smelter (Glencore) producing 30GL copper in solution at >95% recovery.

Figure 33: There is nothing that comes close to RXL on grade, and only 4 projects that have more gold in the indicated category. All 4 are open pit developers with grades $\frac{1}{4}$ that of RXL. There is an age old saying in mining - grade is king.



Source: RXL

Figure 34: If we apply the rule of thumb of 50 vertical advance metres per year, to the average OVM's of 2500/vm we arrive at a production rate of 125kozpa. This reconciles well with our current schedule which runs at 112kozpa recovered or 125kozpa mined.

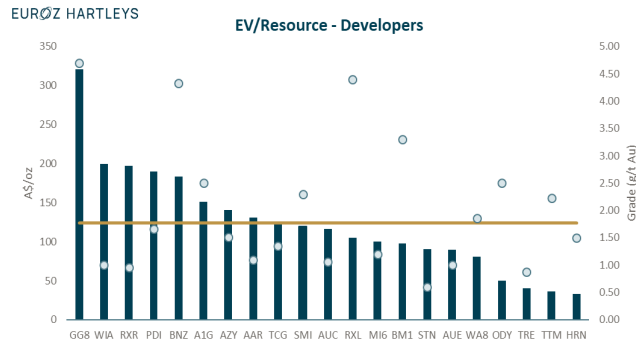


Source: RXL

Comparables

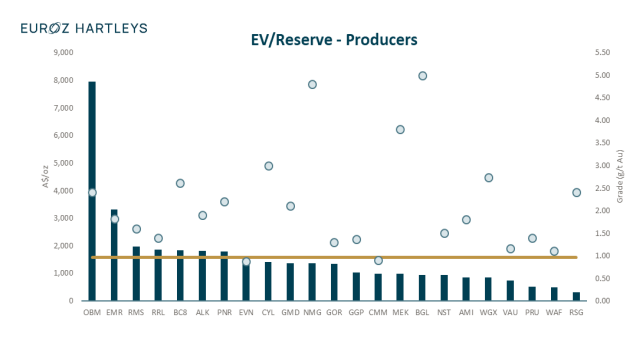
RXL screens strongly against its gold exploration and developer peers.

Figure 35: EV:Resource of other developers. RXL Screens cheap.



Source: Euroz Hartleys

Figure 36: EV:Reserve of other producers is averaging \$1581/oz and RXL is at \$416/oz.



Source: Euroz Hartleys

RXL's peer group is outlined below.

Figure 37: ASX Explorer/ Developer Peer Group

Developer/Explorer Company	Ticker	Price A\$/sh	M Cap A\$m	Net Cash/(Debt) A\$m	EV A\$m	Resource koz	Reserve koz	EV/Rsc A\$/oz	EV/Rsv A\$/oz	Grade g/t Au
Predictive Disc Ltd	PDI	0.45	1,116	69	1,047	5,528	2,950	189	355	1.66
Robex Resources	RXR	3.62	786	1	786	3,991	1,410	197	557	0.96
Turaco Gold Limited	TCG	0.48	522	83	439	3,550	0	124	na	1.35
Santana Minerals Ltd	SMI	0.62	507	108	400	3,344	1,240	120	322	2.30
WIA Gold Limited	WIA	0.32	451	29	422	2,120	0	199	na	1.00
Antipa Minerals Ltd	AZY	0.62	389	37	352	2,500	0	141	na	1.51
Ausgold Limited	AUC	0.81	365	12	353	3,040	1,253	116	282	1.06
Benzmining	BNZ	1.14	294	12	282	1,542	0	183	na	4.32
Minerals260Limited	MI6	0.13	285	54	231	2,300	0	100	na	1.20
Rox Resources	RXL	0.36	278	51	227	2,170	546	105	416	4.40
Gorilla Gold Mines	GG8	0.41	275	25	250	778	0	321	na	4.70
Aurumresources	AUE	0.63	268	47	221	2,468	0	90	na	1.00
Astral Resources NL	AAR	0.17	248	19	230	1,760	1,100	131	209	1.10
Warriedarresourltd	WA8	0.16	210	24	186	2,301	0	81	na	1.86
Saturn Metals	STN	0.43	193	27	166	1,839	0	90	na	0.60
African Gold Ltd.	A1G	0.29	162	12	150	989	0	151	na	2.50
Ballardmininglimited	BM1	0.42	141	34	107	1,100	0	97	na	3.30
Titan Minerals	TTM	0.44	122	9	113	3,100	0	36	na	2.23
Toubani Res Ltd	TRE	0.32	99	11	88	2,200	1,560	40	56	0.88
Horizon Gold Ltd	HRN	0.48	82	12	70	2,137	0	33	na	1.50
Odyssey Gold Ltd	ODY	0.03	25	4	20	407	0	50	na	2.50
Mean			325	32	292	2,341	479	124	314	2.00
Median			275	25	230	2,200		116	322	1.51

Source: Euroz Hartleys

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Rox Resources (RXL.ASX) | Price 0.43 | Target price 0.64 | Recommendation Speculative Buy;

Price, target price and rating as at 15 September 2025 (not covered)*

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