Canaccord Genuity

Capital Markets

Australian Equity Research

22 January 2026

Flash Update

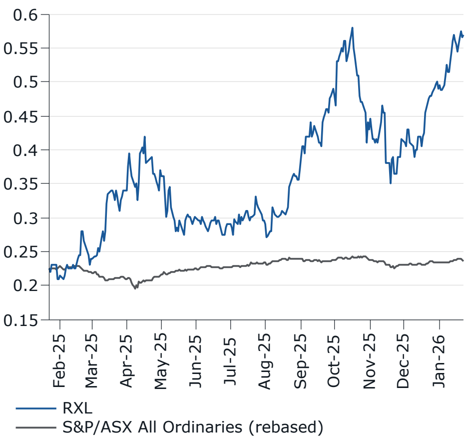
Rox Resources Limited

Precious Metals - Developer/Explorer

Rating	Price Target
SPECULATIVE BUY	A$1.15
RXL-ASX	Price A$0.55

Market Data

52-Week Range (A$) :	0.21 - 0.61
Avg Daily Vol (000s) :	3,569.86
Shares Out. (M) :	1,388.3
Market Cap (A$M) :	763.5
Dividend /Shr (A$) :	0.00
Dividend Yield (%) :	0.0



Source: FactSet

Priced as of close of business 22 January 2026

Rox Resources (RXL-ASX) is an ASX-listed gold developer. Its flagship asset is the 100%-owned Younami Mine in WA, where there are currently 674koz @ 4.8g/t Au in Ore Reserves. The Nov'25 DFS outlines a 7-year underground mine recovering ~107kozpa for AISC of A$1,978/oz and upfront capex of A$383m.

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Youanmi site visit

This week, we visited RXL's Youanmi Gold Project near Mt Magnet. We were pleased to see underground development well underway, office and camp construction advancing, the site team growing in numbers and pit dewatering nearing completion. We left site with a real sense that RXL was well on track to build WA's next gold mine.

The Youanmi DFS: Recall that RXL published a DFS in November 2025 that outlines plans for an underground gold mine delivering 117kozpa Au for 7 years (817koz over LOM), underpinned by an updated Probable Reserve of 674koz @ 4.8g/t Au and mine plan of 900koz @ 4.9g/t Au. Production peaks at ~160koz in Year 6. A 900ktpa mill will recover 90.8% of the gold using conventional CIL with the addition of the Albion process (ultra fine grind and atmospheric oxidative leaching) being employed on <10% of the mass. Capex is A$383m with AISC of A$1,978/oz. We model a similar mine plan to RXL with added conservatism on capex (CGe A$400m) and AISC (CGe A$2,100/oz). We also model a slower ramp-up period with design recoveries not achieved until 12 months post first gold.

Underground Development: Although FID isn't expected until late next month, RXL is progressing development on a number of fronts across site. Mining activity at United North has stepped up following the transition to 24-hour operations, with ~450m of underground development completed to date. Development has focused on the exploration decline and ventilation portal. Drillhole design and mine planning have commenced ahead of first production stages in 2026. First development ore could be mined as early as May, with stope ore coming online late in the year before first gold pour in mid-2027 following completion of the processing plant. Surface grade control and infill drilling (~3,000m) will begin this quarter to de-risk initial production areas and potentially fast-track growth zones into the early mine plan. Underground drilling (~3,000m initially) is scheduled to start early next quarter, with tenders currently under review.

Infrastructure: Site infrastructure continues to expand. Phase 1 of the accommodation camp expansion was completed in December, adding 60 rooms and lifting total onsite capacity to 111 rooms. Expansion to ~350 rooms has commenced and is on track for completion this half. The underground mine office has been mostly complete with preparations for the underground workshop well advanced, with pad works complete and concrete works due to commence shortly. Processing plant development is also advancing.

Front-End Engineering Design works are underway, and EPC tenders have been received, with early pricing indications in line with or better than DFS estimates. Key long-lead items, including the fine grind mill, power station and oxygen supply infrastructure, are progressing, with the fine grind mill delivery expected in the DecQ'26.

Dewatering: At the Youanmi Main Pit, dewatering has progressed remarkably since our last site visit, and continues as planned, with water discharged to evaporation ponds and nearby pits. Dewatering remains on schedule for completion in the MarQ'26.

Permitting: RXL lodged amendments to its Mining Development and Closure Proposal in December 2025, with approval expected in the MarQ'26. Subsequent Works Approval submissions are nearing lodgement, positioning the project for early construction activities; expected mid-2026.

Site trip comments, valuation and recommendation: RXL has significantly progressed Youanmi in the 10 months since we last visited, particularly since November when underground development commenced. We look forward to following its development progress and potential re-rating over the coming year. Upcoming potential catalysts include completion of debt financing (we model A$230m of vanilla debt to see Youanmi fully funded through commissioning and ramp-up in 2027); project development milestones; and completion of permitting. We estimate RXL ended the DecQ'25 with A $230m cash. Our risked price target remains $1.15 following our most recent precious metals price deck update and we maintain our SPEC BUY rating.

Figure 1: CGe assumptions (current and prior) vs. DFS

Asumptions	RXL PFS - Jul'24	CGe Oct'25	RXL DFS - Nov'25	% Difference to CGe	CGe Current
Total inventory (Moz)	5.8Mt @ 4.5g/t Au 849	6Mt @ 4.8g/t Au 935	**5.7Mt @ 4.9g/t Au 900**	0%	**5.7Mt @ 5g/t Au 900**
LOM (years)	7.7	7	6.8	-3%	7
Upfront Capex (US$m)	**245**	**350**	**383**	-4%	**400**
UG Ore Mined (Mt)	5.8	6.0	5.7	0%	5.7
Ore processed (Mtpa)	**0.75**	**0.90**	**0.90**	0%	**0.90**
Avg head grade (g/t Au)	4.5	4.8	4.9	1%	4.9
Recoveries	92.6%	92.0%	90.8%	0%	90.8%
Au production (kozpa)	**102**	**124**	**117**	0%	**117**
Au production (years 1+2)	168	205	193	2%	190
Au production (LOM)	786	860	817	1%	812
Sustaining capex (A$m p.a.)	17	20	25	1%	25
Royalty	3.50%	4.00%	3.50%	0%	3.50%
Cash costs (A$/oz)	$1,395	$1,517	$1,590	-1%	$1,606
LOM AISC (A$/oz)	**$1,676**	**$2,012**	**$1,978**	-6%	**$2,100**
LOM Gold price (A$/oz)	*3,100*	*6,733*	*5,200*	*-23%*	*6,733*

Source: Company Reports, Canaccord Genuity estimates

Figure 2: United North underground portals

Source: Company Reports

Figure 3: United North portal

Source: Canaccord Genuity

Figure 4: United North exploration decline

Source: Canaccord Genuity

Figure 5: Jumbo bolting and messing development drive

Source: Canaccord Genuity

Figure 6: Decline developement

Source: Canaccord Genuity

Figure 7: Underground mine offices

Source: Canaccord Genuity

Figure 8: Underground mine offices

Source: Canaccord Genuity

Figure 9: New 60-person camp (right background) & expansion (foreground)

Source: Canaccord Genuity

Figure 10: Well appointed, modern accommodation

Source: Canaccord Genuity

Figure 11: Well-stocked snack and dessert freezer in the mess, with three choices of premium ice-cream.

Source: Canaccord Genuity

Figure 12: Dewatering in the Main Pit

Source: Canaccord Genuity

Figure 13: Youanmi Main Pit dewatering progress since our last site visit

Source: Canaccord Genuity

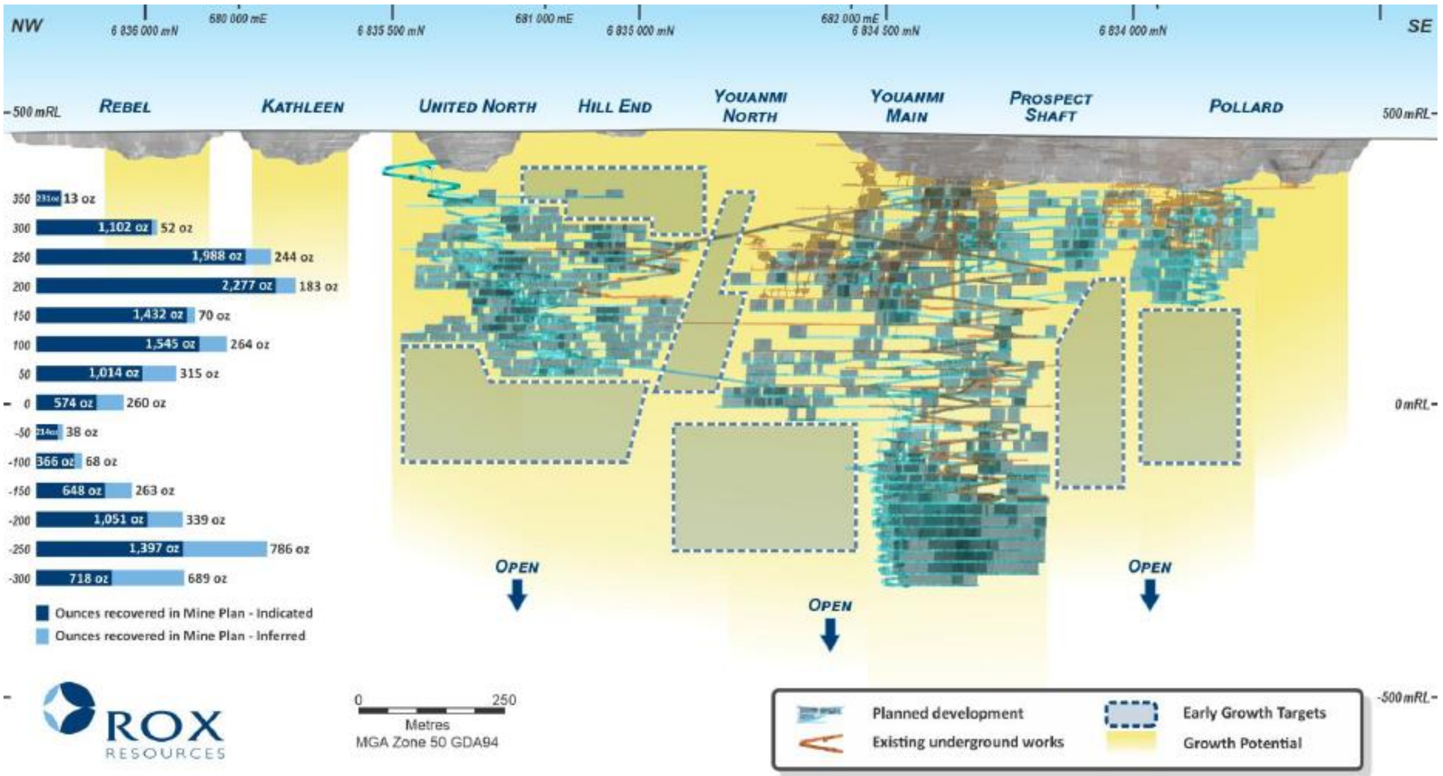
Figure 14: View of evaporation ponds

Source: Canaccord Genuity

Figure 15: Evaporation ponds

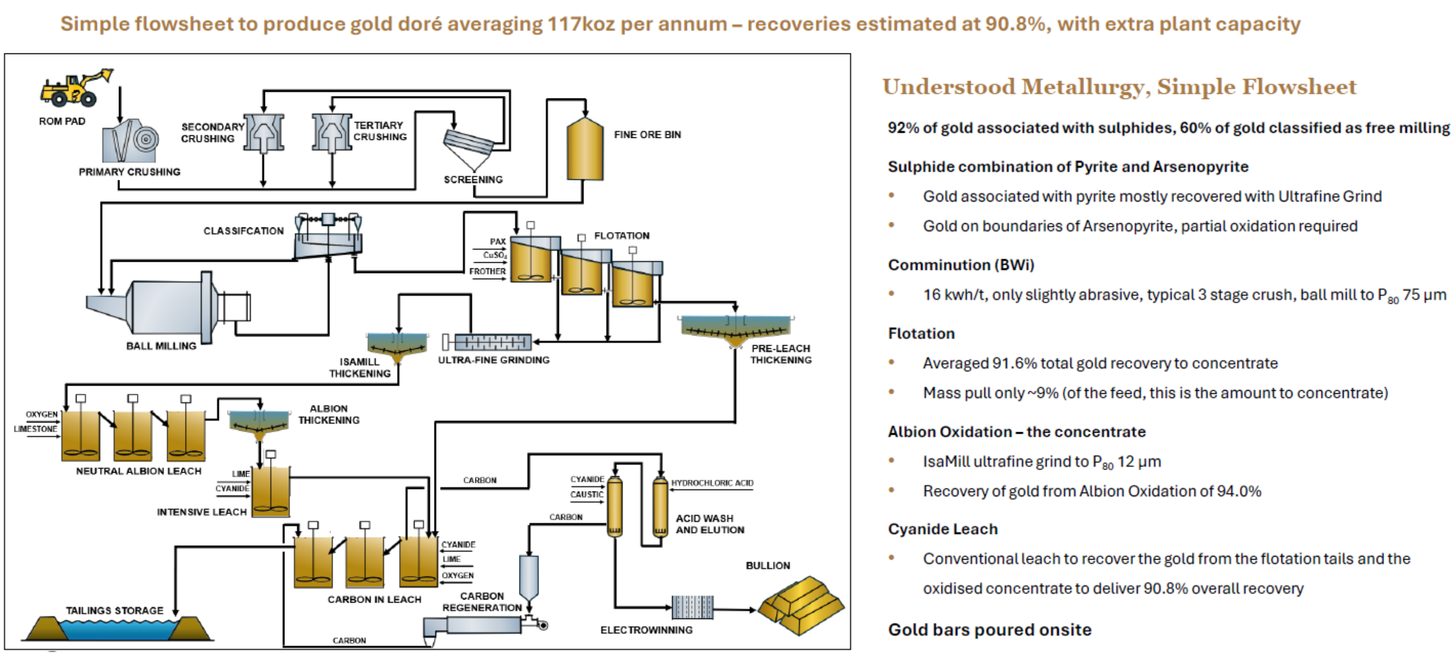
Source: Canaccord Genuity

Figure 16: Mine plan and growth targets



Source: Company Reports

Figure 17: Flowsheet summary



Source: Company Reports

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Investment Recommendation

Date and time of first dissemination: January 22, 2026, 02:31 ET

Date and time of production: January 22, 2026, 02:31 ET

Target Price / Valuation Methodology:

Rox Resources Limited - RXL

We have modelled a potential development scenario based on the November 2025 DFS, using weighting for 1.0x forward curve, consensus and spot commodity prices, and have applied a conservative 10% discount rate to our NPV. Additionally, our NAV is risked.

Risks to achieving Target Price / Valuation:

Rox Resources Limited - RXL

Financing risks

As an exploration/pre-production company with no material income, RXL is reliant on equity and debt markets to fund development of its assets and progress its regional exploration pipeline. Accessing these markets may result in further dilution to shareholders.

Exploration risks

Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with conversion of Inferred Resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. It is not known whether exploration will delineate further Mineral Resources, nor that the company will be able to convert the current mineral resource into minable reserves.

Operating risks

If and when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations which can also materially impact forecast production from original expectations.

Commodity price and currency fluctuations

As with any mining company, RXL is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

Distribution of Ratings:

Global Stock Ratings (as of 01/22/26)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	678	70.04%	24.48%
Hold	131	13.53%	7.63%
Sell	3	0.31%	0.00%
Speculative Buy	149	15.39%	63.09%
	968*	100.0%	

*Total includes stocks that are Under Review

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*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

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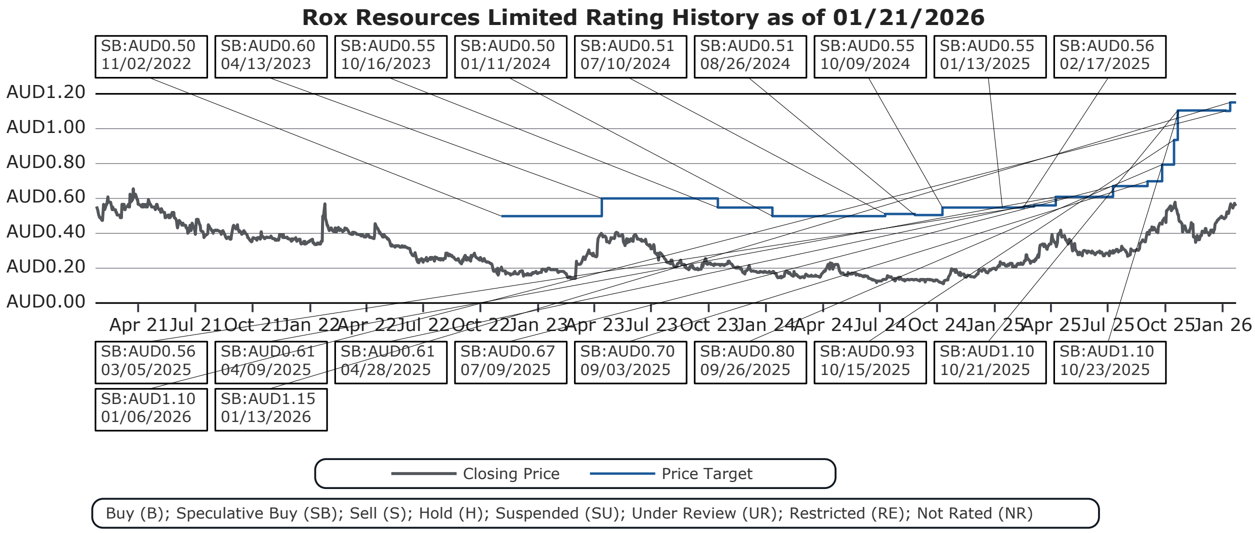

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