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Explorer Quarterly Cash Update

June Quarter 2026

BDO

Research into the financial health of Australian-listed explorers: Quarter ended 30 June 2026

Abundance among explorers despite global uncertainty

Building on the record set in the March 2026 quarter, total cash balances rose to a new record high of $13.04 billion, reinforcing the sector's continued strength amid ongoing geopolitical and macroeconomic uncertainty.

Exploration expenditure surpassed $1 billion for the first time since December 2023, reaching $1.05 billion, reflecting the availability of capital for advanced projects and in demand commodities.

Net investing cash flows climbed to $1.61 billion, the highest level since June 2023 and 61% higher than the previous quarter. Even after excluding significant term deposit investments by a small number of companies, investing activity remained strong, reflecting increased capital deployment into project development, infrastructure and strategic growth initiatives.

Financing inflows softened for a second consecutive quarter, falling 10% to $2.85 billion. While activity continued to normalise, the decline was significantly less severe than the 44% reduction recorded in the March 2026 quarter, highlighting ongoing investor support for quality exploration and development opportunities.

Foreword

BDO's report on the financial health and cash position of Australian-listed explorers for the June 2026 quarter (based on quarterly Appendix 5B reports lodged with the Australian Securities Exchange (ASX)) paints a picture of abundance across cash reserves, market demand, and opportunity. The June 2026 quarter reinforced the resilience of junior explorers, which continued to advance despite a volatile global macroeconomic backdrop. Escalating tensions in the Middle East, continued conflict in Ukraine, and persistent global trade uncertainty drove heightened market volatility and shifting commodity dynamics. Yet rather than preserving capital and curbing expenditure, ASX-listed explorers instead increased investment across the sector, supported by strong funding positions and favourable conditions in several key commodity markets.

Cash balances remained near record levels this quarter at $13.04 billion, providing explorers with considerable financial flexibility. Rather than accumulating on balance sheets, this liquidity was increasingly deployed during the June 2026 quarter, reflecting growing confidence across the sector. Exploration expenditure exceeded $1.0 billion for the first time since December 2023, while net investing cash outflows also surpassed $1.0 billion, highlighting the sector's increasing ability to translate strong funding positions into exploration activity, project advancement, and strategic investment initiatives. Despite this increased investment, capital outflows remained heavily concentrated among more advanced explorers progressing large-scale development projects, including Arafura Rare Earths Limited's (Arafura) Nolans Project and Vulcan Energy Resources Limited's (Vulcan) Lionheart Project.

Commodity preferences remained relatively consistent with recent quarters. Gold continued to dominate as the sector's commodity of choice, supported by ongoing investor demand for safe-haven assets amid geopolitical uncertainty and heightened global risk. Oil & gas climbed from fifth to second place among Fund Finder commodities during the quarter, attracting $300.07 million in funding across three companies. Rare earths resurged to prominence, supported by government initiatives aimed at developing critical minerals supply chains and reducing dependence on traditional sources of supply.

The number of exploration companies continued the downward trend observed since June 2024, as evidenced by the number of Appendix 5B lodgements declining to 746 after stabilising in the December 2025 and March 2026 quarters. While record cash balances and continued funding support would ordinarily be expected to drive new listings, continued consolidation across the sector acted as a counterbalance, with six acquisition transactions completed during the quarter.

Capital appears to be becoming increasingly concentrated among larger and more advanced explorers, rather than expanding across the overall pool of listed exploration companies. Among the largest explorers, capital remained highly concentrated, with the top 50 explorers by market capitalisation accounting for approximately 52% of total cash balances and 27% of exploration expenditure, broadly consistent with the March 2026 quarter. Despite this stability, several companies recorded notable movements within the rankings during the quarter, driven by major capital raisings, project developments, and corporate transactions, including Lindian Resources Limited's (Lindian) $100 million capital raise, New Murchison Gold Limited's advancements at its Garden Gully and Cloudkicker projects, and Genesis Minerals Limited's (Genesis) acquisition of Magnetic Resources NL.

Overall, the June 2026 quarter demonstrated that the substantial funding accumulated across the sector over the past year is increasingly being deployed towards exploration, project development, and growth activities. Despite an uncertain global backdrop, explorers entered the second half of 2026 with strong balance sheets, record levels of exploration expenditure and continued confidence in the long-term outlook for key commodities, particularly gold, critical minerals, and energy-related resources.

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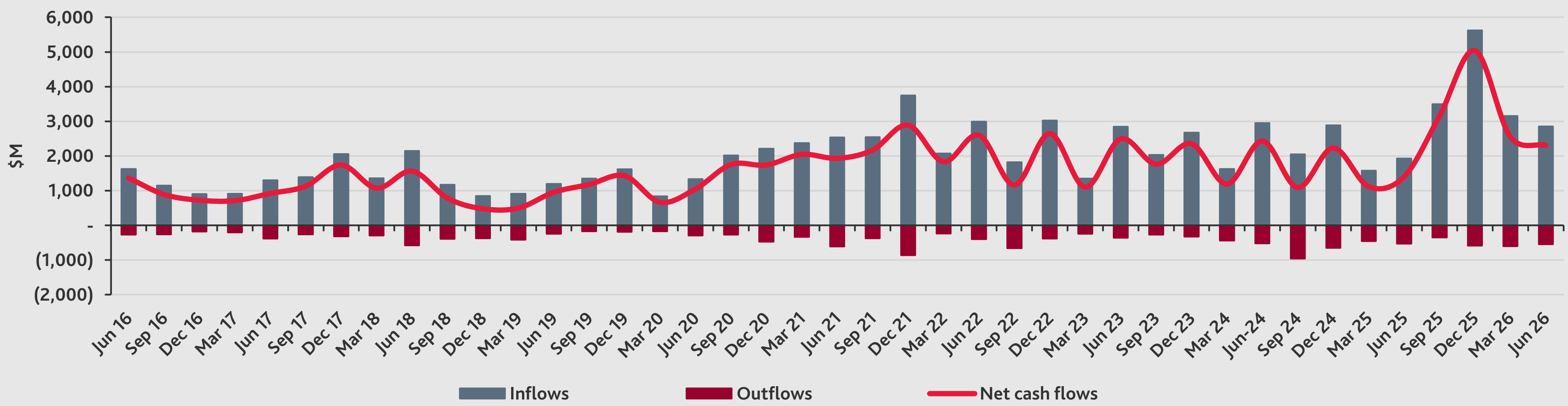
Financing cash flows

Financing cash inflows continued to ease from the elevated levels recorded in the December 2025 quarter, declining 10% from $3.15 billion in the March 2026 quarter to $2.85 billion in the June 2026 quarter. This represents a 49% reduction from the record high of $5.62 billion raised in the December 2025 quarter. Despite this moderation, average financing inflows remained resilient at $3.82 million per company, broadly in line with the two-year average of $3.91 million. This suggests that investor appetite for the sector remains intact, with explorers continuing to access capital markets successfully despite lower overall fundraising volumes.

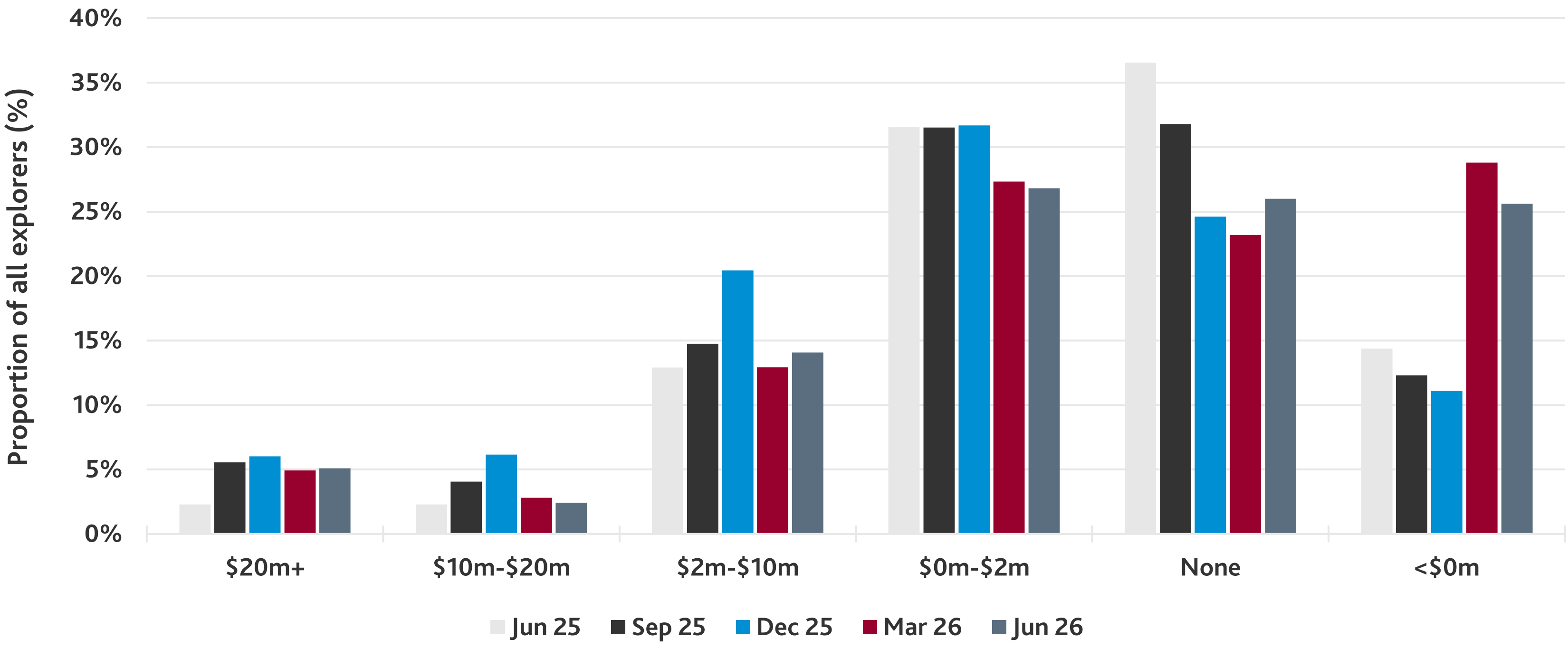
The decline in financing inflows was accompanied by a 9% reduction in financing cash outflows, which declined from $599.73 million in the March 2026 quarter to $544.66 million in the June 2026 quarter. As a result, net financing cash flows decreased by 10%, from $2.55 billion to $2.30 billion over the quarter. This decline is consistent with sentiment expressed at recent mining conferences, where many companies noted that raising capital had become more challenging than it was six to twelve months ago. This outcome is particularly noteworthy given that the June quarter has historically been one of the strongest periods for net financing inflows, alongside December.

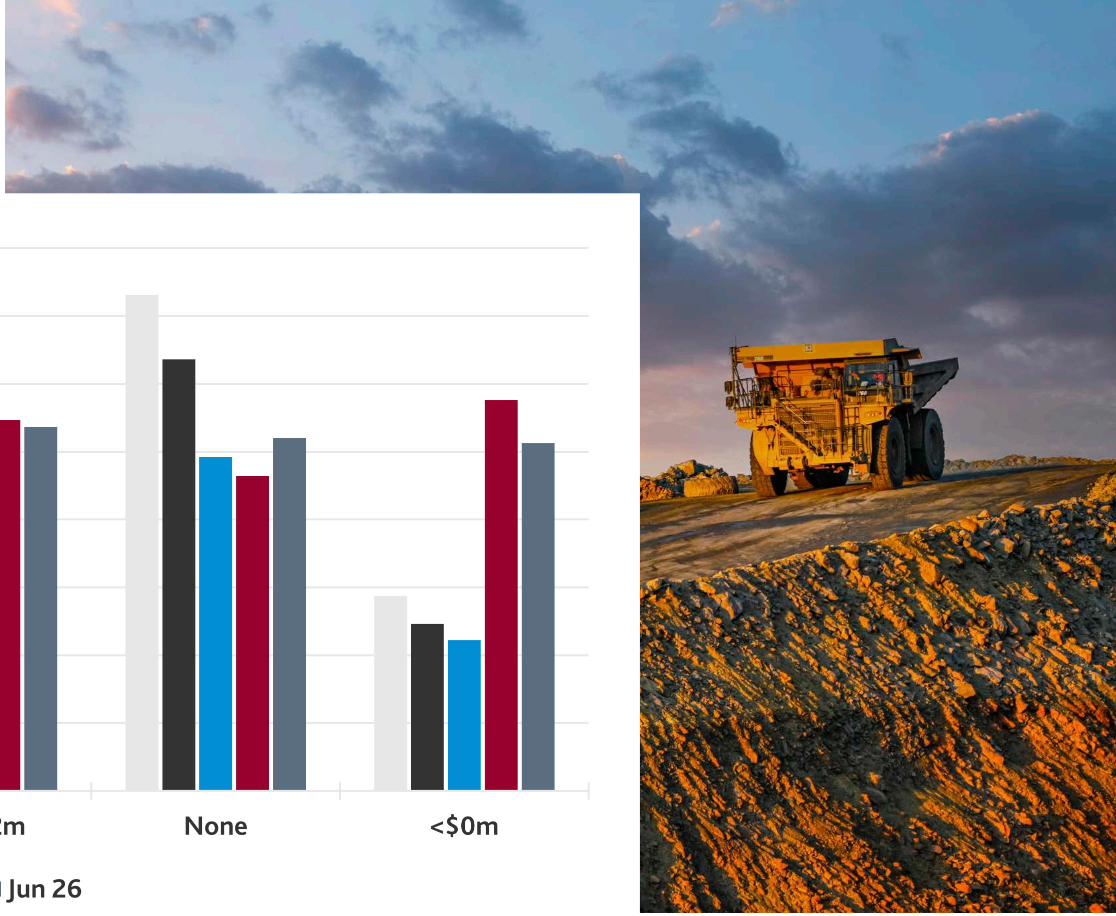
A year-on-year comparison suggests the recent softening may reflect a normalisation from elevated fundraising levels rather than a longer-term, structural change in access to funds. Average net financing cash flows more than doubled, increasing from $1.46 billion during the September 2024 to June 2025 period, to $3.26 billion during the September 2025 to June 2026 period. Viewed in this context, the June 2026 quarter follows an unusually strong period of sustained fundraising growth that began in June 2025, suggesting current funding pressures may be cyclical rather than indicative of a broader shift in financing conditions.

ASX explorers' financing cash flows ($M)



Net financing cash flows (%)





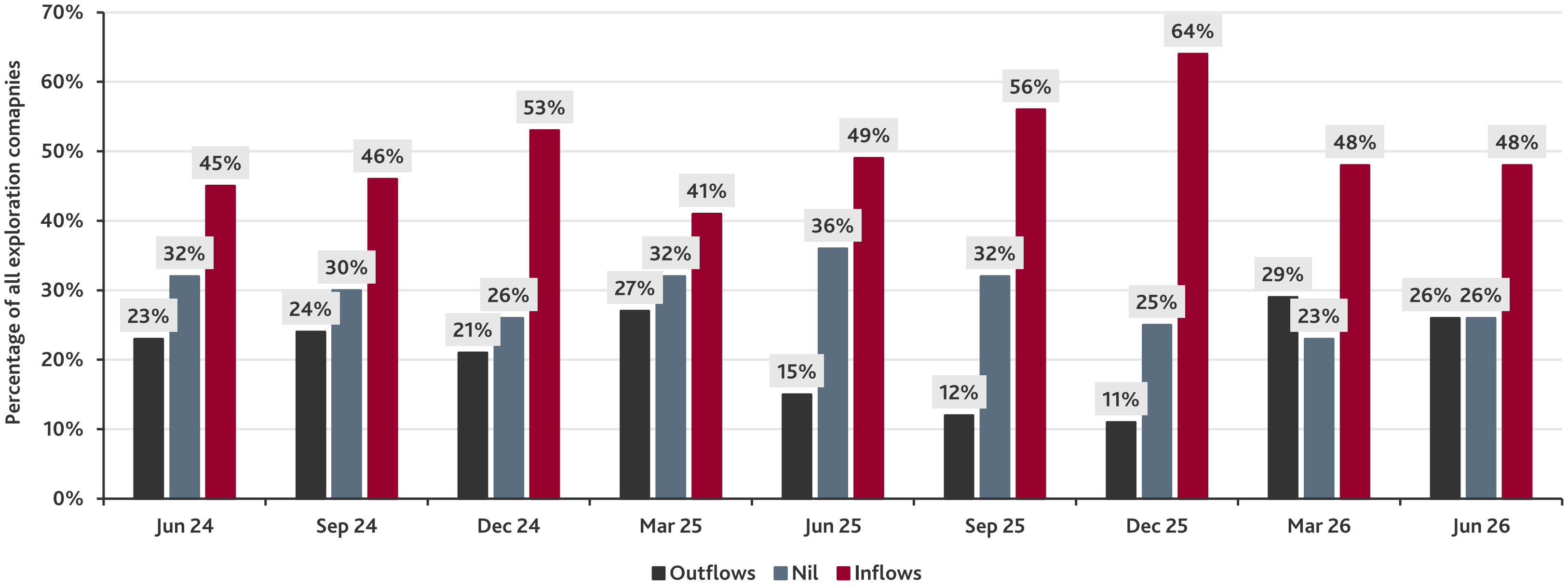
As illustrated in the chart above, the distribution of net financing cash flows in the June quarter remained broadly consistent with the March 2026 quarter. Reflecting this stability, the proportion of companies reporting net financing inflows greater than $2 million was largely unchanged at 22%, compared to 21% in the prior quarter.

In contrast, the share of companies reporting inflows of less than $2 million was marginally lower than in recent quarters, with those raising between $0 and $2 million falling to a two-year low of 27%. Meanwhile, the percentage of companies reporting net financing outflows (less than $0 million) decreased to 26% from 29% in the previous quarter. Together, these results suggest that while fewer explorers undertook smaller capital raisings, fewer were also relying on existing cash reserves to fund operations, indicating that funding conditions remained relatively supportive despite softer aggregate financing activity.

Over the past year, the proportion of companies reporting no net financing cash flows has generally trended lower, despite increasing to 26% in the June 2026 quarter, up from 23% in the March 2026 quarter. This suggests a greater number of companies remained inactive from a financing perspective during the quarter, either by refraining from raising capital or limiting financing-related cash movements. In addition, the simultaneous decline in net financing outflows appears to be consistent with a moderation in financing activity rather than a broad deterioration in access to capital.

While aggregate financing cash flows moderated from the March 2026 quarter, the distribution of financing activity suggests funding conditions remained resilient. Despite a more selective funding environment, a substantial portion of explorers continued to access capital markets and maintain positive net financing positions during the quarter.

Financing cash flows (%)



As illustrated in the chart above, the proportion of companies reporting a net financing inflow remained unchanged at 48% in both the March and June 2026 quarters, reflecting a more cautious investor appetite relative to the elevated fundraising conditions observed in the December 2025 quarter. Meanwhile, the proportion of companies reporting a net financing outflow decreased to 26%, down from 29% in the prior quarter. Additionally, the proportion of companies reporting nil net financing cash flows increased slightly from 23% to 26%, indicating a larger number of explorers are either unable to or did not undertake capital-raising activities during the quarter.

Collectively, these results indicate a moderation in financing activity following the exceptionally strong fundraising environment observed from June 2025, which peaked in the December 2025 quarter. While a larger share of explorers reported no financing activity, the stable proportion reporting net financing inflows and the decline in net financing outflows indicate that financing conditions remained relatively supportive despite softer aggregate financing cash flows.

Fund Finders

In the June 2026 quarter, the number of Fund Finders (companies that recorded debt and equity raises of $10 million or more in the quarter) declined 5% from the previous quarter, with 62 companies raising $2.24 billion compared to the 65 companies who raised $2.61 billion in the March 2026 quarter. Fund Finders in this quarter contributed approximately 79% to the total financing inflows, with the average Fund Finder raising $36.10 million.

Gold's dominance persists, with 15 gold companies accounting for approximately 24% of the June quarter's Fund Finders. Including a further 14 gold-affiliated companies, gold-related companies comprised almost half of this quarter's cohort. Rare earths rose to second place, marking their highest ranking since December 2022. Following a quieter March quarter, several pure-play rare earth explorers with advanced-stage projects returned to the market, echoing the strong funding activity seen in the December 2025 quarter, when the commodity attracted a collective $842.60 million in financing inflows. Excluding the December 2022 quarter, this was the only quarter in the past five years in which average financing inflows per pure-play rare earths Fund Finder exceeded $100 million. By comparison, average financing inflows across the remaining quarters during this period were $32.22 million per company. This quarter's cohort also included a gold-rare earths and a niobium-rare earths company who together raised $97.40 million.

Besides gold and rare earths, the Fund Finders were spread across 20 other commodities, including oil & gas, lithium, and copper or copper-linked commodities.

Equity remained the primary source of funding during the June quarter, accounting for approximately 80% of the $1.80 billion raised. The quarter was characterised by strong institutional participation and support from strategic investors, with funds largely being directed towards project development, construction, and mine restart activities. This continued focus on development-stage opportunities highlights investor preference for companies with clear development pathways and exposure to commodities supported by supply chain, energy security and geopolitical themes.

The top ten largest fund raises in the June quarter are illustrated on the right.

Company name	Commodity	Mechanism of raising
Arafura Rare Earths Ltd	Rare Earths	$175.53 million raised via equity issue
Maritana Minerals Limited	Gold	$120.04 million raised via equity issue
Syrah Resources Limited	Graphite	$106.62 million raised via equity issue
Core Lithium Ltd	Lithium	$67.27 million raised via equity issue $37.03 raised via issue of convertible debt securities
Lindian Resources Limited	Rare Earths	$100 million raised via equity issue $1.01 million raised via exercise of options
WIA Gold Limited	Gold	$92 million raised via equity issue
Beetaloo Energy Australia Limited	Oil & Gas	$71.74 million raised via equity issue $2.50 million raised via borrowings $0.56 million raised via exercise of options
Tanami Gold NL	Gold	$70.51 million raised via equity issue
Larvotto Resources Limited	Gold-Antimony	$60.20 million raised via borrowings
Omega Oil & Gas Limited	Oil & Gas	$60 million raised via equity issue

**Foreign-currency denominated inflows converted using the prevailing exchange rate as at 30 June 2026.*

We discuss some of the more prominent capital raisings from our top Fund Finders in the following paragraphs.

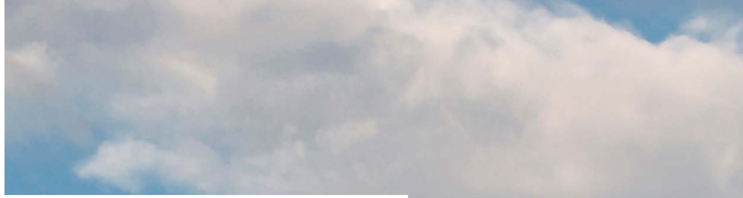
Arafura topped the Fund Finder podium for the June quarter, raising a total of $175.53 million from the first tranche of a $350 million two-tranche institutional placement announced in May. The raising secures the equity funding required to support the development of the Nolans Project in the Northern Territory. The placement follows Arafura's Final Investment Decision to proceed with developing the project. Once operational, Nolans is expected to become Australia's first fully integrated ore-to-oxide rare earths operation. The placement was strongly supported by new and existing shareholders, including Hancock Prospecting, Arafura's largest shareholder, who committed $85 million of the $350 million raising, increasing its holding to approximately 17.5%. Notably, Arafura has featured in three out of the past four Fund Finders cohorts, raising a combined $746.80 million during that time.

Second on the podium was Maritana Minerals Limited (Maritana), who raised $120.04 million through a fully underwritten two-tranche institutional placement. Tranche One raised approximately $55 million during the March quarter, with $120.04 million being raised through the Tranche Two placement, which was completed early in the June quarter. The funds raised will support the advancement of the Black Swan Project towards production, including the refurbishment and gold conversion of the Black Swan Processing Hub, site establishment and infrastructure, open pit and underground capital works, exploration and geology activities, and working capital.

In third, Syrah Resources Limited (Syrah), the only graphite company in this quarter's Fund Finder list, raised approximately $106.62 million via a fully underwritten accelerated non-renounceable entitlement offer worth US$72 million. AustralianSuper, Syrah's largest shareholder, committed $35 million and to sub-underwrite the entitlement offer up to $69 million. On completion of the equity raising, AustralianSuper's shareholding in Syrah increased to approximately 49.6%. The funds raised will support increased production at Syrah's Balama Graphite Operation (Balama) in Mozambique in response to market demand. In addition to ramping up production at Balama, funds will also be used for working capital to achieve commercial sales at the Vidalia Active Anode Material Facility located in Louisiana in the United States.

In fourth place, Core Lithium (Core) raised approximately $104 million to support the restart of its Finniss Lithium Project. The funding comprised $67 million from Tranche Two of a fully underwritten $120 million equity raising and US$26 million (approximately $37 million) from Tranche One of convertible note funding under a broader strategic funding package. Together with a US$50 million senior secured loan facility, the fully committed package includes two tranches of US$70 million convertible notes and a two-tranche $120 million equity raising. Proceeds will be used to advance the Finniss Lithium Operation following the Final Investment Decision approved during the March 2026 quarter. Proceeds from the initial convertible note funds will support early works, site preparation, contractor mobilisation, and restart capital activities.

Rounding out the top five, rare earths company Lindian Resources Limited (Lindian) raised $100 million via a single tranche placement to institutional investors and strategic critical mineral funds. A further $1.01 million was received during the quarter from the exercise of options issued by the company. The funds raised will support the development of Lindian's Kangankunde project in Malawi, which the company anticipates will begin producing in the December quarter. In addition to progressing mine development, Lindian is advancing downstream processing capabilities through the SARECO rare earths processing plant in Kazakhstan, where it targets production by the end of the year.



Financing inflow by commodity – Fund Finders – June quarter 2026

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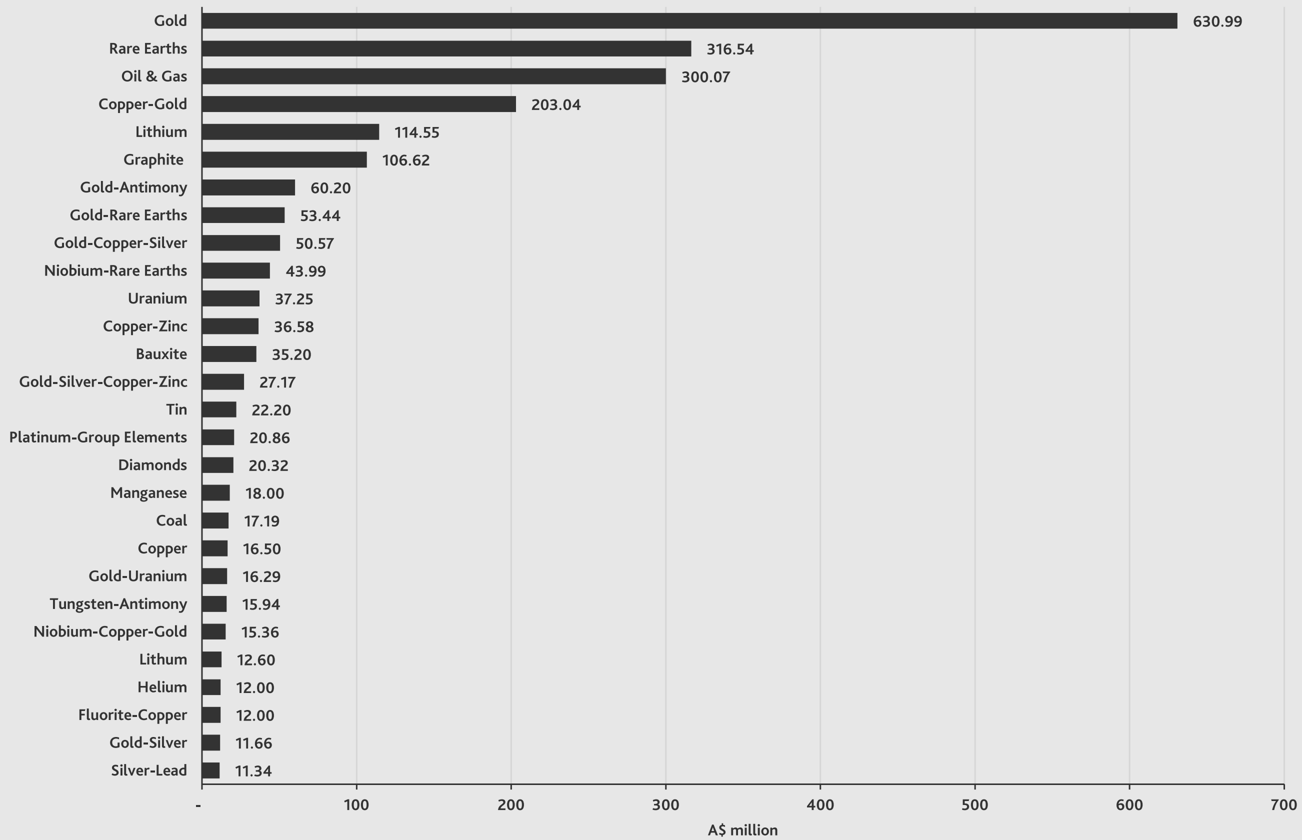


Capital allocation during the June 2026 quarter reflected an ever-changing geopolitical backdrop. While conflict in the Middle East heightened concerns around energy markets and supply disruptions, governments and investors alike remained focused on securing access to critical minerals essential to defence, technology and energy transition initiatives.

Although total financing inflows declined for a second consecutive quarter after reaching a record high in the December 2025 quarter, fundraising activity remained relatively robust and broadly consistent with levels seen across much of the past five years. Investor interest appeared increasingly directed towards commodities associated with energy security, critical minerals and strategic supply chains, supporting strong funding outcomes for rare earth and oil & gas companies. At the same time, investment in energy transition commodities such as lithium proved comparatively resilient despite ongoing price volatility.

The distribution of the 62 Fund Finders across commodities remained fairly consistent with prior quarters. Unsurprisingly, gold retained its dominance, reinforcing its position as the preferred safe-haven commodity during periods of heightened geopolitical uncertainty. 15 gold companies collectively raised $630.99 million, although total inflows were 4% lower than the March 2026 quarter. Three of the top ten Fund Finders were gold companies, reflecting continued investor confidence in the commodity's long-term outlook.

Funding activity was concentrated among gold companies advancing development projects, and in Maritana's case, progressing project restart, highlighting investor appetite for projects with clearer pathways towards production. As noted in the March quarter, we expected investment in gold to remain resilient amid ongoing geopolitical tensions and tighter fiscal policy measures globally, a trend that continued to be evident during the June quarter.

Rare earths saw financing inflows increase more than twelvefold quarter-on-quarter, despite the sector being represented by fewer companies than in most quarters over the past year. Three rare earths companies featured among this quarter's Fund Finders, including two in the top ten; Arafura, which secured $175.53 million, and Lindian, which raised $100 million. The third rare earths company, Meteoric Resources Limited (Meteoric), raised $40 million through an equity issue to fund advancement and pre-development activities at its Caldeira Project ahead of a Final Investment Decision. Collectively, these three companies raised $316.54 million. A common theme across these raisings was strong interest from critical mineral funds seeking to invest in rare earths projects. The scale of capital committed to the sector, both this quarter and over the past year, highlights the increasing strategic importance of rare earths as governments and industry participants globally seek to diversify supply chains and reduce reliance on more concentrated sources of production.

Closely following rare earths was oil & gas, with nine companies raising $10 million or more, double the number of the previous quarter. The sector attracted $300.07 million in financing inflows, its strongest funding outcome in at least five years. Beetaloo Energy Australia Limited (Beetaloo) was a significant fundraiser, accounting for 25% of this quarter's oil & gas funding and ranking seventh among the top ten Fund Finders following the completion of a $71.74 million total equity raise. Despite the global shift towards renewable energy adoption, oil & gas has featured among the top five commodities in three of the past four quarters, after appearing in the top five in only six of the preceding sixteen quarters. The recent strength in oil & gas financing activity has coincided with heightened geopolitical tensions and ongoing concerns around global energy supply constraints. While governments continue to pursue renewable energy targets, increasing emphasis has been placed on maintaining reliable and affordable energy supply, supporting continued investment in domestic gas and broader energy infrastructure projects.

Funding activity among copper-gold companies moderated during the June 2026 quarter, falling from second to fifth place among commodity groupings. Total financing inflows declined to $203.04 million from $560.60 million in the March 2026 quarter. While investor appetite for copper-gold opportunities remained evident, funding was increasingly directed towards rare earths and oil & gas companies. Despite the decline, copper-gold remained a meaningful contributor to funding activity, with seven copper-gold companies featuring among the Fund Finders. The largest inflow was recorded by Waratah Minerals Limited, which raised $48 million via an equity placement to fund drilling activities at its Spur Gold Project.

Core Lithium's $104.31 million capital raising accounted for 82% of funds raised by the lithium Fund Finders during the June quarter. Together with equity raisings by Jindalee Lithium Limited ($12.60 million) and Green Technology Metals Limited ($11.01 million), total lithium financing inflows reached $127.15 million, narrowly securing the commodity a place in the top five ahead of graphite. Lithium has remained one of the most consistently funded commodities over the past five years, ranking among the top five Fund Finder commodities in every quarter except March 2024. That said, this quarter's three lithium Fund Finders represented a smaller cohort than the five-year average of six companies. Despite ongoing price volatility and fluctuations in capital inflows, the commodity's consistent presence among the top-funded sectors highlights the market's continued confidence in lithium's long-term role in battery technology and electrification trends.

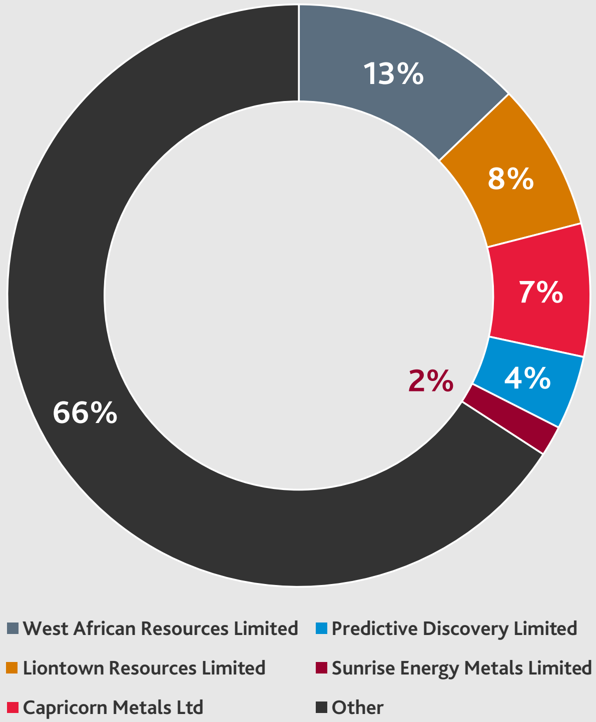
The $2.24 billion raised by this quarter's Fund Finders was 70% higher than that recorded by the June 2025 cohort, despite heightened geopolitical tensions. The June quarter provided an opportunity to observe how geopolitical turbulence may be influencing capital allocation across the exploration sector. Most notably, these conditions appear to be consistent with the strong financing inflows into rare earths and oil & gas, with governments and industry proving their concern for critical mineral and energy security. Conversely, lithium recorded more modest levels of activity, although it maintained its long-standing presence among the top-funded commodities despite ongoing price volatility. Gold retained its position at the top of the podium, having relinquished the top spot only once in the past two years.

BDO Top 50 – Companies by market capitalisation

This quarter, the top 50 explorers by market capitalisation were once again spread across a range of commodities. Companies with gold and gold-linked assets were the largest asset category making up 44% of the cohort, with lithium and rare earths comprising 14% and 10%, respectively. It is important to note that this group also includes companies with producing operations, accounting for seven of the top ten companies. These included Capricorn Metals Ltd (Capricorn), West African Resources Ltd (West African), Liontown Resources Ltd (Liontown) and Predictive Discovery Ltd (Predictive).

The sector's aggregate cash balance totalled $13.04 billion at the end of the June 2026 quarter, with the top 50 explorers holding $6.84 billion, or 52% of total cash reserves. The distribution of cash remained highly concentrated and broadly consistent with the March 2026 quarter, when the top 50 explorers accounted for 53% of total sector cash. The graph below illustrates this concentration, with the top five companies accounting for 34% of total cash held by the top 50 peer group and 18% of cash across the broader cohort of 746 companies. West African reported the largest cash balance at $876.25 million, followed by Liontown with $560.60 million, Capricorn with $504.81 million, Predictive with $280.74 million and Sunrise Energy Ltd (Sunrise) with $115.44 million. With the exception of Sunrise, all of these companies have producing operations, reflecting the strong levels of cash generated from active and advanced-stage mining operations.

Top 50 ASX explorers' cash balance



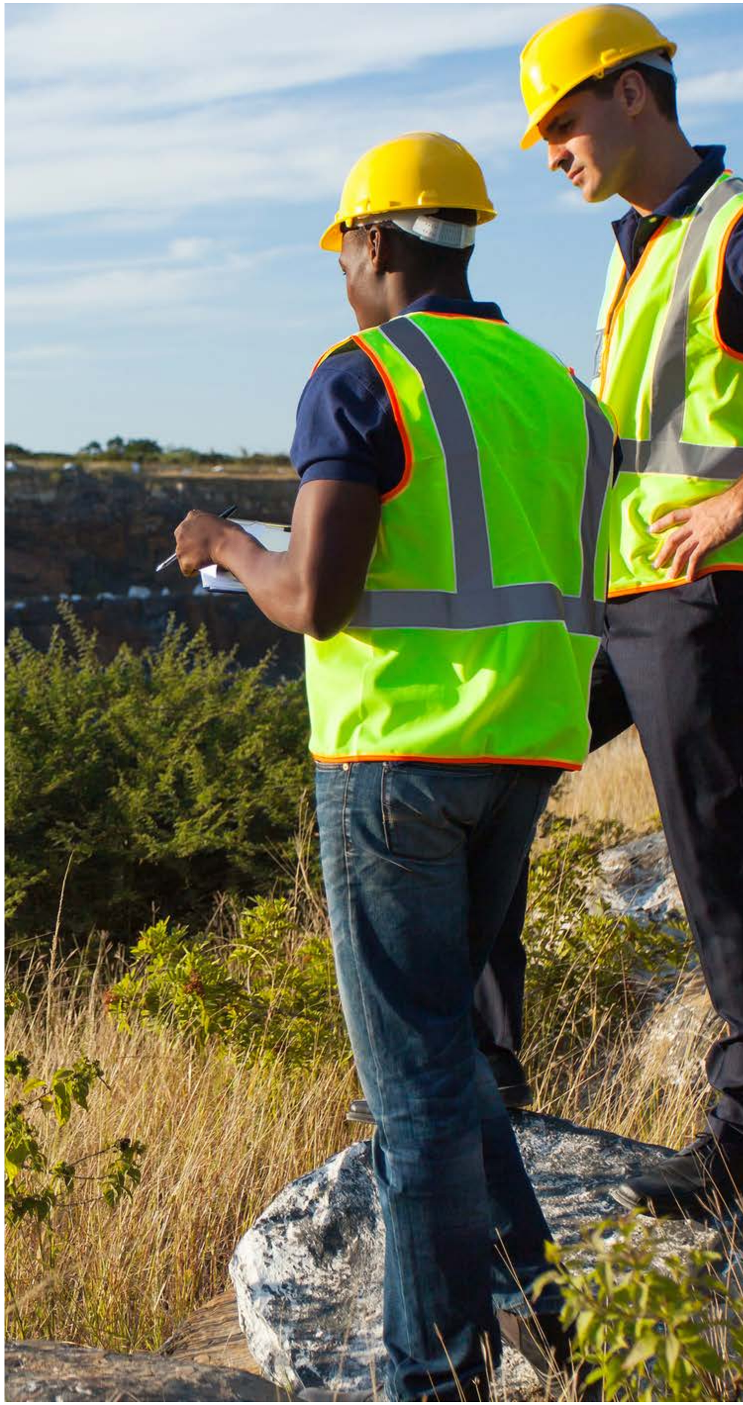
A similar concentration was evident in exploration expenditure during the June quarter. During the June quarter, the top 50 companies collectively spent $238.79 million in exploration expenditure, representing 27% of the broader cohort's $1.05 billion. This reflects the extent to which exploration activity is concentrated amongst larger, more advanced companies like Capricorn and Minerals 260 Limited, with all except two of the top ten exploration spenders ranked within the top 50. Further analysis is provided in the 'Exploration expenditure' section of this report.

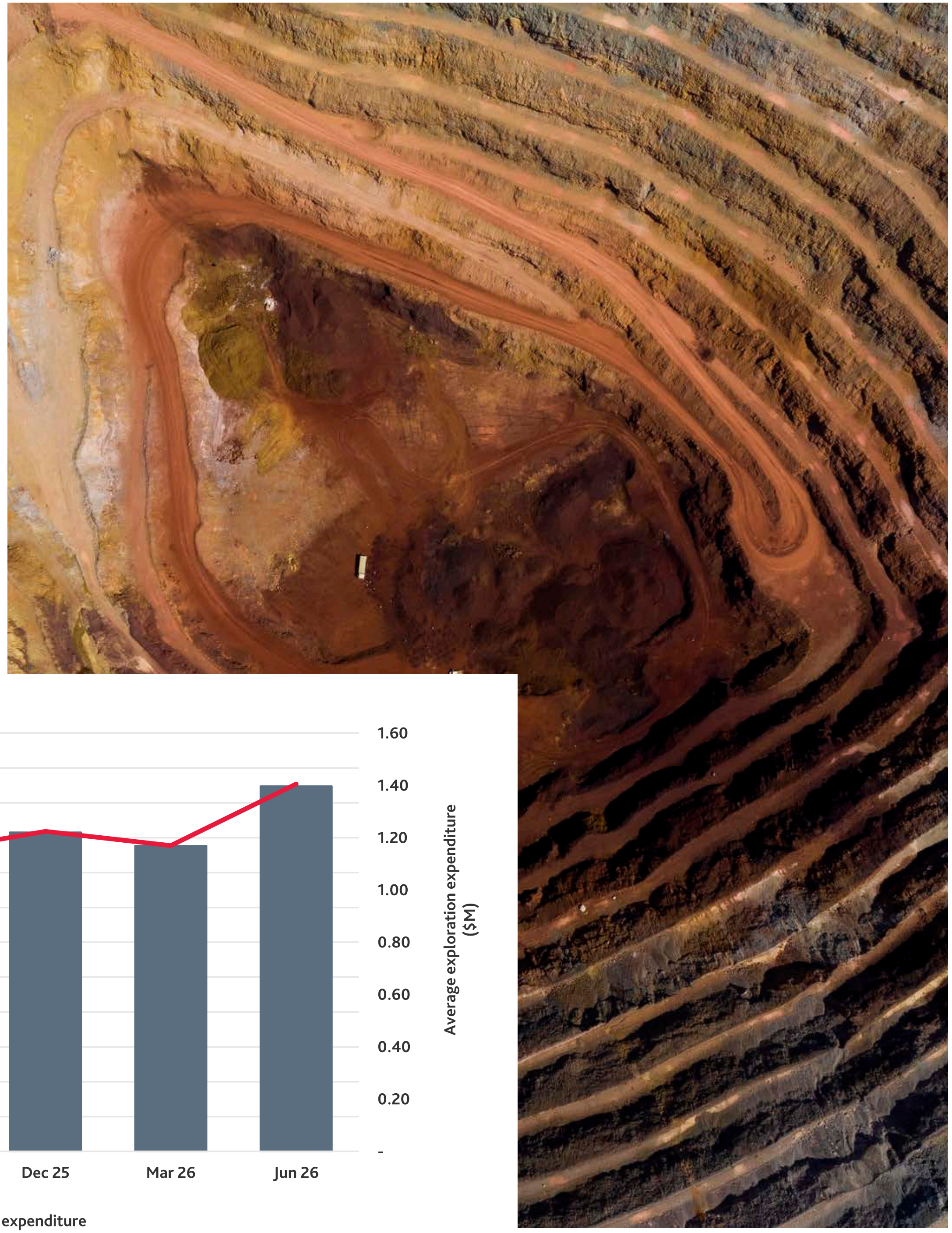
The composition of the top 50 remained relatively stable during the quarter, with five companies entering the group and five exiting. Whilst the most movement occurred towards the lower end of the list, there were several notable changes, largely driven by corporate activity. Black Cat Syndicate Ltd (Black Cat) (formerly #23) was reclassified as a producer during the quarter and therefore was not required to lodge an Appendix 5B. Similarly, Magnetic Resources NL was de-listed from the ASX following its acquisition by Genesis Minerals Ltd in June, continuing the broader trend of consolidation within the Australian gold sector.

Several firms within the top 50 held significant cash balances due to operating activities and project advancement. West African closed the June quarter with a cash balance of $876.25 million, up from $847.17 million at the end of March. This growth was supported by record production across its operations, with quarterly production from the Sanbrado and Kiaka mines increasing by 37% and 3% respectively. Elevated gold prices also contributed to higher realised revenues, with the company noting that its unhedged position provides full exposure to high gold prices.

Similarly, Liontown closed the quarter with a cash balance of $560.60 million, reflecting the ongoing ramp-up of its Kathleen Valley Lithium Project. Capricorn reported a cash balance of $504.81 million, driven by $115.80 million of operating cash flow generated by the Karlawinda Gold Project. Sunrise Energy closed the quarter with $115.44 million, largely comprising of unspent funds raised in the March quarter to support the development of the Syerston Scandium Project.

Corporate activity also affected explorers' cash positions during the quarter. Following its April merger with Robex Resources Ltd (Robex), Predictive closed the June quarter with $280.74 million in cash. This transaction created a dual-listed West African gold developer with a broad portfolio of both development and production assets.



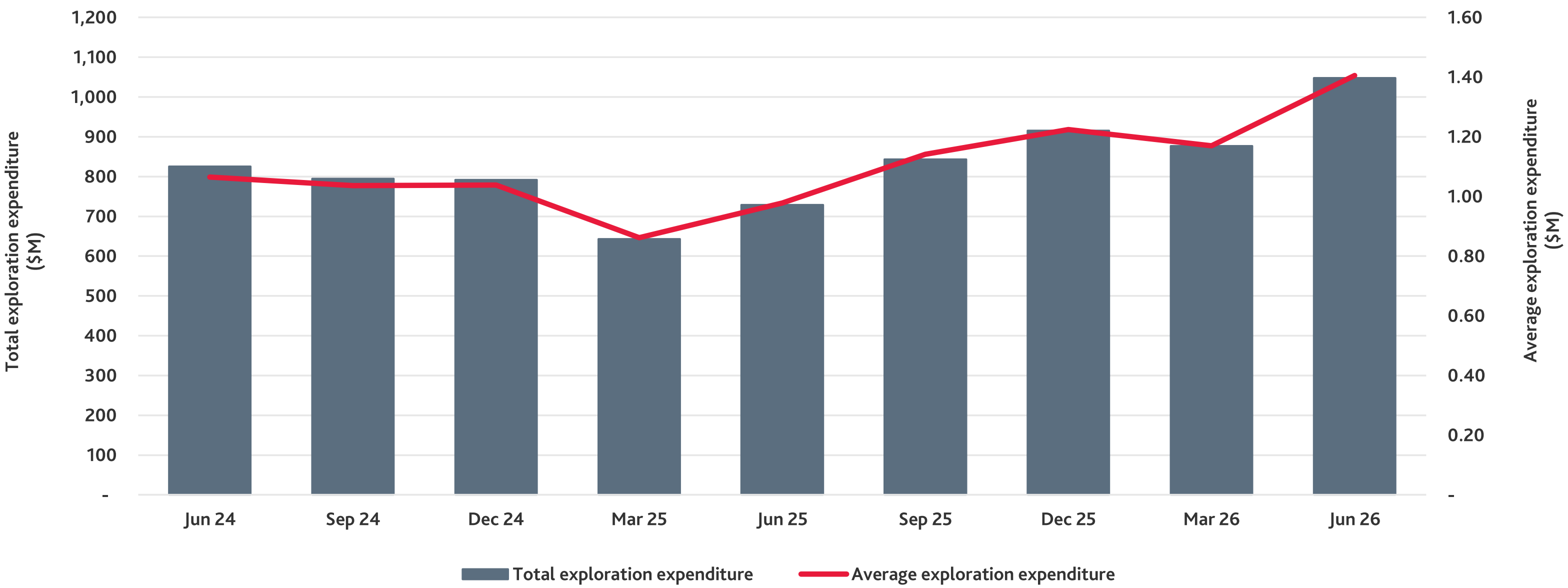


Exploration expenditure

Exploration expenditure for the June 2026 quarter approached a record billion-dollar spend last seen in the December 2023 quarter of $1.01 billion, reaching a total of $1.05 billion, which is 26% higher than the two-year average of $830.22 million. The increase also continued the broader recovery from the March 2025 low of $643.52 million, with expenditure rising in four of the subsequent five quarters.

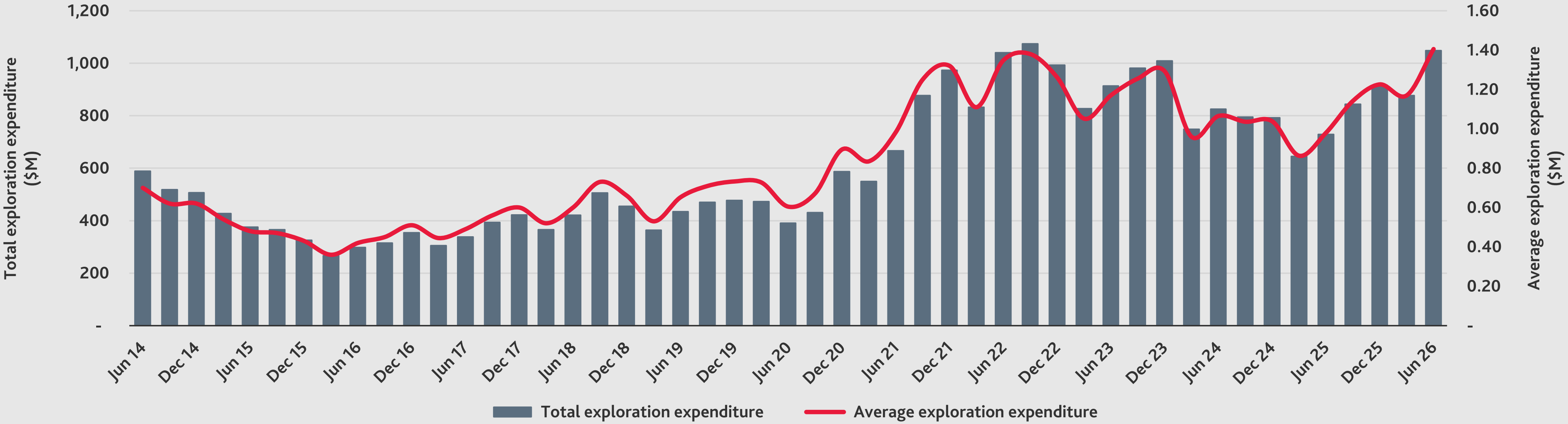
Average expenditure per explorer increased 21% from $1.17 million to $1.41 million, the highest level recorded since the start of our analysis in 2013, while median expenditure increased from $0.44 million to $0.49 million. The increase in both measures indicates exploration spending strengthened across the sector, with the larger increase in average expenditure suggesting a disproportionate contribution from higher-spending explorers. This outcome is particularly notable given industry commentary at recent mining conferences highlighting constraints on exploration, particularly limited access to drilling contractors, suggesting spending growth occurred despite bottlenecks across the sector.

Total exploration expenditure – Last two years ($M)

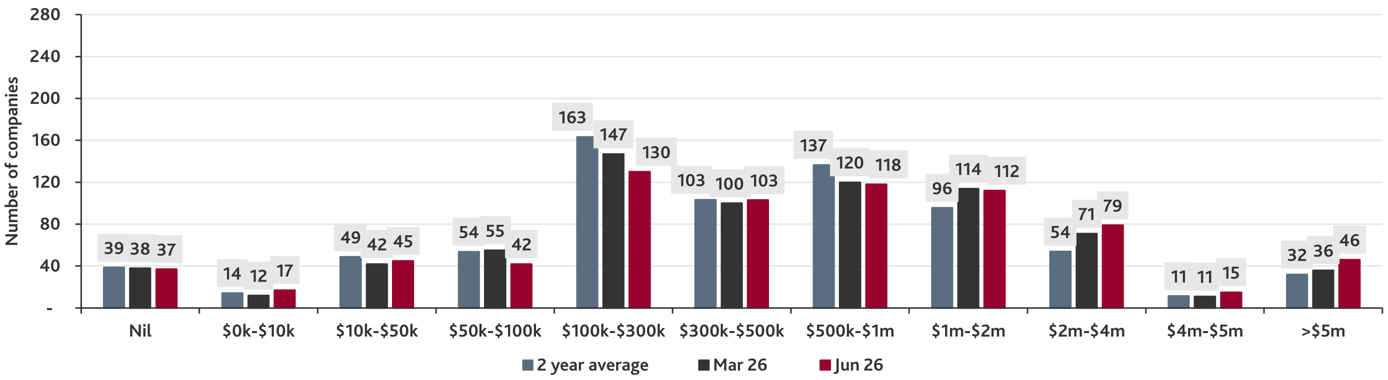


From a longer-term perspective, investment remains significantly stronger than the levels recorded a decade ago, with June 2026 expenditure nearly four times the 2016 trough of $266.75 million. After exceeding $1 billion in the June and September quarters of 2022 and the December quarter of 2023, expenditure moderated before recovering during 2025 and the first half of 2026. June 2026 expenditure was approximately 20% above the five-year average of $876.60 million, indicating that exploration investment has moved beyond the more moderate levels recorded in recent quarters. Although higher interest rates and cost pressures remained headwinds for exploration investment, the June 2026 result appears to reflect a greater intensity of spending among existing explorers, particularly those progressing larger drilling, resource definition and project advancement programs. As a result, the June quarter may mark the early stages of a broader uplift in exploration activity, with explorers increasingly expanding budgets and deploying their high cash holdings capital into the ground.

ASX explorers' total exploration expenditure ($M)



Number of companies by exploration expenditure



Exploration expenditure shifted towards higher expenditure brackets in the June 2026 quarter, with increases across all cohorts spending more than $2 million. In particular, the number of companies spending above $5 million increased from 36 to 46. This contrasted with declines across the $50,000 to $300,000 expenditure brackets and more modest reductions among companies $500,000 to $2 million cohorts, suggesting the increase in total exploration expenditure was primarily driven by larger, more advanced exploration programs rather than broad-based growth across all spending categories.

The top ten exploration spenders in the June quarter totalled $170.40 million, up from $139.77 million in March 2026. The group comprised six gold or gold-linked companies, two rare earths companies, one limestone company and one lithium company. Gold remained the primary exploration focus, with gold or gold-linked companies collectively spending $104.55 million, supported by extensive drilling and project advancement programmes.

Gold producer Capricorn recorded the highest exploration expenditure of $29.46 million, reflecting continued investment across its Western Australian gold portfolio, including resource growth work at the Mt Gibson Gold Project alongside continued production at the Karlawinda Gold Project.

Pacific Lime and Cement Ltd (Pacific) recorded the second-highest expenditure during the quarter at $24.47 million. Unlike many of the other top spenders, this expenditure primarily reflected ongoing construction, development and infrastructure activities at its Central Lime Project in Papua New Guinea rather than exploration drilling. Pacific also featured among the top ten exploration spenders in the March 2026 quarter, ranking sixth with expenditure of $11.50 million, meaning quarterly spending more than doubled during the June quarter.

Firefly Metals Ltd (Firefly) recorded the third-highest exploration expenditure of $19.30 million, principally supporting infill and step-out drilling at the Green Bay Copper-Gold Project in Canada. Six underground rigs operated during the quarter as the company advanced an updated resource estimate and economic studies. Minerals 260 Limited followed in fourth with exploration expenditure of $18.84 million, primarily directed towards resource definition and extension drilling programmes at the Bullabulling Gold Project.

Ballard Mining Ltd (Ballard), Ausgold Limited (Ausgold), and Santana Minerals Limited (Santana) collectively spent $36.97 million advancing their respective gold projects. Ballard continued its resource-growth drilling programme at Mt Ida, while Ausgold progressed drilling at the Katanning Gold Project, and Santana advanced exploration and development readiness at Bendigo-Ophir.

Rare earths maintained a strong presence from the March 2026 quarter, with Meteoric and Brazilian Rare Earths Limited (Brazilian Rare Earths) remaining among the top ten spenders, recording exploration expenditure of $14.99 million and $13.40 million, respectively. Meteoric undertook resource infill drilling and technical work at the Caldeira Rare Earths Project, while Brazilian Rare Earths continued drilling and geophysical work across its Monte Alto district. Their continued presence highlights sustained investment beyond gold, supported by the strategic importance of rare earths to renewable energy and supply chain security.

No oil & gas companies featured in the June quarter's top ten exploration spenders, compared with two in March 2026. However, Beetaloo and Elixir Energy Limited (Elixir) ranked just outside the top ten, collectively spending $20.42 million, indicating that oil & gas investment remained significant albeit overtaken by higher expenditure across gold and other minerals. Although Middle East supply disruptions contributed to volatility in international oil and liquified natural gas markets and reinforced energy-security concerns, expenditure by Beetaloo and Elixir was primarily associated with the continued progression of Australian gas appraisal, testing and development activities during the quarter.

Overall, June-quarter expenditure was shaped by gold's continued dominance, sustained and heightened investment in rare earths and significant project-specific expenditure by Pacific. The composition of the top spenders indicates that expenditure growth was increasingly linked to resource expansion, feasibility work and project development activities rather than greenfields exploration alone. While exploration activity remained concentrated among gold and rare earths explorers and producers, oil & gas explorers emerged as notable contributors responding to evolving geopolitical and energy security dynamics.

Net investing cash flows

Net investing cash outflows increased to $1.61 billion in the June quarter, up 61% from $997.39 million in the March 2026 quarter and more than three times the $438.23 million recorded in the June 2025 quarter. This marked the first time since June 2023 that net investing cash outflows have exceeded $1 billion, highlighting a significant uplift in capital deployment across the sector and extending the upward trend observed over the past five quarters. Investment activity remained concentrated among a small number of companies advancing development-ready assets and larger-scale growth initiatives, with the five largest investors accounting for almost half of total net investing cash outflows during the quarter.

Arafura recorded the highest net investing cash outflows in the June quarter, totalling $500.48 million. While only $0.48 million related to development expenditure on the Nolans Project, the remaining balance comprised investments in term deposits intended to fund the construction of the Nolans Project, which is scheduled to commence in September 2026. Excluding Arafura's term deposit placement, net investing cash outflows for the quarter totalled $1.11 billion, representing an 11% increase on the March quarter and a 153% increase on the June 2025 quarter.

Vulcan reported a €146.4 million (approximately $242 million) net investing cash outflow, with €92.0 million (approximately $151 million) in development expenditure primarily to progress the Lionheart Project. This included payments for the supply and installation of the Organic Rankine Cycle power plant, drilling activities, and payments to contractors for the development of the Interconnecting Process & Pipeline infrastructure, Central Lithium Plant and Lithium Extraction Plant. In addition, €56 million (approximately $92 million) was invested in term deposits intended to fund the ongoing development of the Lionheart Project.

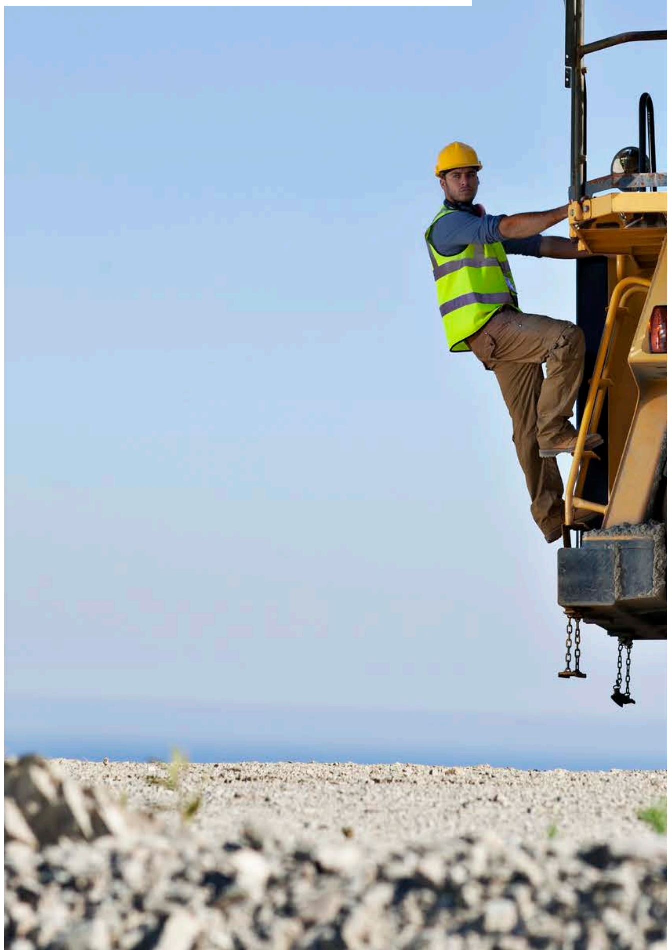
West African was the third largest net investor with $112.25 million of net investing outflows in the June quarter. This included $70 million invested in the Kiaka Project primarily for the Kiaka HFO power station, $30 million for pre-production stripping at the Toega Project and $16 million for M5 South development and power infrastructure at the Sanbrado operation.

Canyon Resources Limited (Canyon) reported net investing outflows of $63.55 million, largely relating to development of the Minim Martap Bauxite Project. Additionally, through its subsidiary, Camalco, Canyon completed an approximately $0.8 million investment to acquire a 42.8% stake in Terminal Bois du Port de Douala S.A., strengthening its access to export infrastructure for future operations. Minerals 260 Limited recorded total investing outflows of $60 million, comprising the acquisition of tenements near Bullabulling of $4 million, village construction, water infrastructure and drilling activities of $5.50 million, and $50 million invested in term deposits with maturities greater than three months as funds for the development of the Bullabulling Project.

These five companies accounted for 48% of the total net investing cash outflows this quarter. A further 33 companies recorded net investing cash outflows exceeding $10 million, indicating that increased investment activity was not solely driven by a handful of large projects, but was evident across a broader cohort of explorers advancing development, infrastructure, and growth initiatives.

The proportion of companies reporting net investing outflows remained steady at 49% in the June quarter, marking the highest levels observed since March 2024. Meanwhile, the proportion of companies reporting zero investing cash flow decreased slightly from 37% in the March 2026 quarter to 36%.

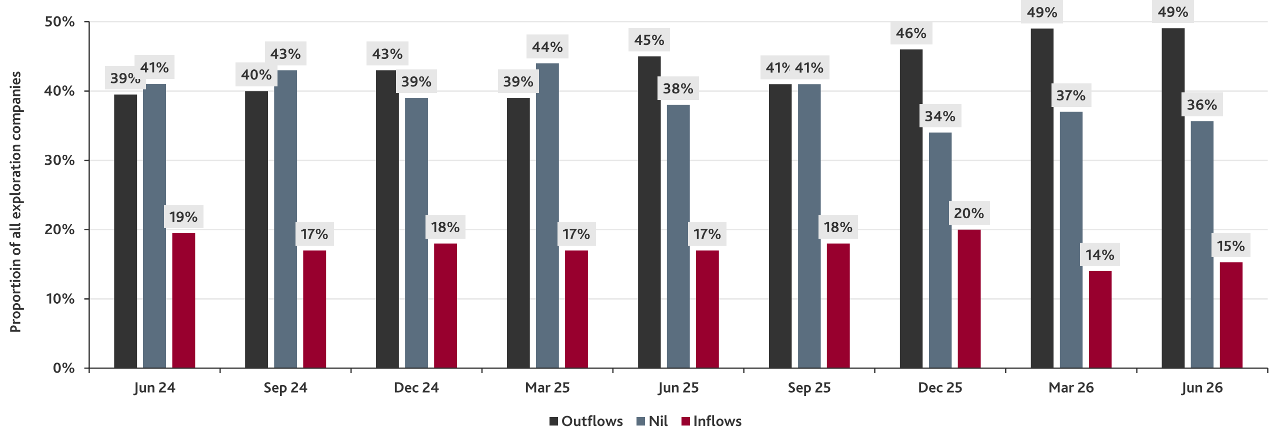
The remaining 15% of companies had net investing inflows, which increased from 14% during the March 2026 quarter. Together, these trends indicate sustained capital deployment across the sector, with more explorers progressing beyond pure exploration activities and investing in project development, infrastructure and longer-term growth initiatives.



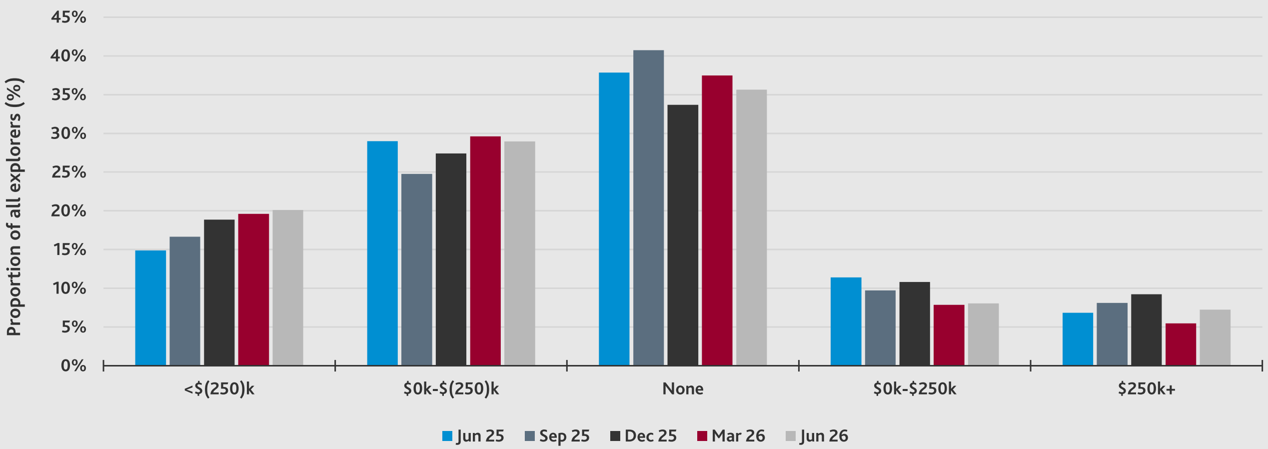
For consistency across all quarters, we note that our analysis of net investing cash flows for the June quarter excludes exploration and evaluation expenditure that is capitalised. We have instead included this under exploration expenditure.

The top net investment inflow for the quarter was reported by Predictive, which reported the receipt of $190.39 million. This was almost entirely attributable to $220.21 million in cash proceeds received following its merger with Robex, which was completed in April 2026. Venus Metals Corporation reported investing inflows of $47.08 million in the June 2026 quarter, primarily due to the sale of its 1% net smelter return royalty via its subsidiary, Redscope Enterprises Pty Ltd, on all gold production from the Youanmi Gold Project to Franco-Nevada Australia Pty Ltd, a wholly owned subsidiary of Franco-Nevada Corporation. Additionally, FAR Limited reported net investing inflows of $34.40 million for the quarter, all of which related to proceeds from the sale of its interest in the RSSD Project in Senegal to Woodside Energy.

Investing cash flows (%)



Net investing cash flows (%)



The number of explorers reporting net investing outflows remained elevated during the June 2026 quarter with 20% of companies reporting outflows greater than $250k, consistent with the March 2026 quarter. Explorers reporting investing expenditure between $0k–$250k decreased slightly from 30% to 29% over the same period, and companies with no investing cash flows decreased from 37% to 36%. The proportion of companies reporting net investing inflows between $0k–$250k remained at 8% for both the March 2026 and June 2026 quarters, while those reporting inflows greater than $250k increased from 5% in the March 2026 quarter to 7% in the June 2026 quarter.

Despite the modest decline in companies reporting investing outflows between $0k and $250k, nearly half of all explorers continued to record net investing expenditure during the quarter, indicating that explorers are increasingly putting capital to work. Meanwhile, the increase in companies reporting investing inflows greater than $250k indicates that a larger proportion of explorers received proceeds from investing activities during the period. Overall, these trends suggest explorers remain willing to commit capital toward development and growth initiatives, while a modestly greater proportion of companies generated cash from investing activities such as royalty sales and sales of investments during the quarter.

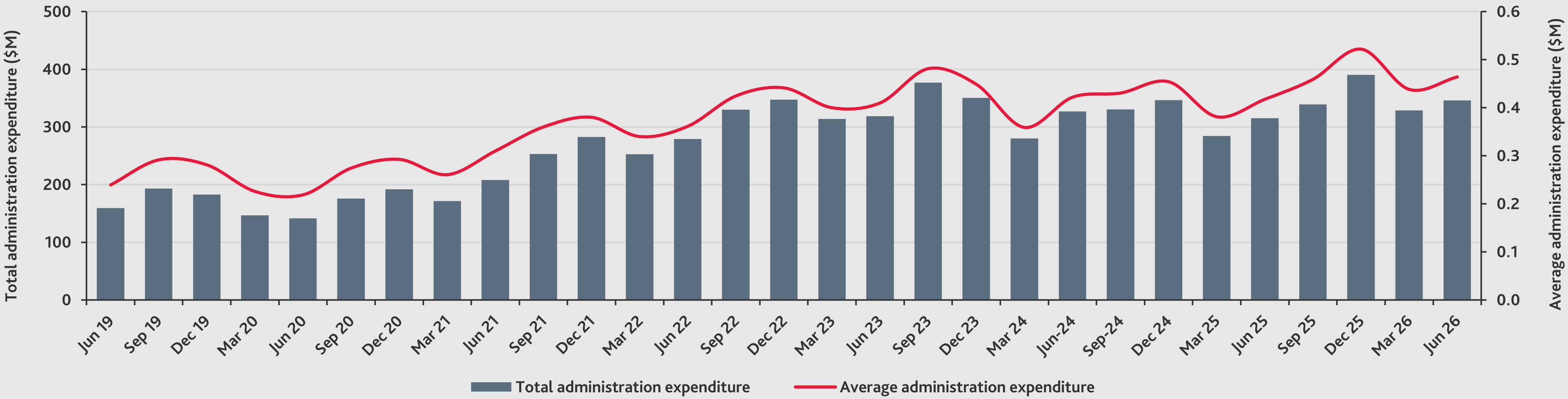
Administration expenditure

Total administration expenditure (comprising mainly of listing fees, professional fees, director fees and other corporate costs) was $346.16 million in the June quarter, a 5.3% increase from $328.62 million in March 2026. Average administrative spend per company was $0.46 million, slightly above both the previous quarter ($0.44 million) and the two-year average ($0.44 million).

This increase from the March quarter is consistent with seasonal trends, as companies tend to incur higher audit, compliance and regulatory costs ahead of the end of financial year. Administration costs peaked at $390.36 million in December 2025 and have since moderated. However, higher financing costs, persistent inflationary pressures and ongoing geo-political uncertainty have contributed to a structurally higher cost base across the sector, offsetting the impact of cost management initiatives such as delayed hiring implemented in recent years.

Looking ahead, administration expenditure is expected to increase marginally in the September and December quarters as corporate activity increases and deferred projects and advisory work recommences. Long-term, administrative costs are likely to remain broadly stable, with the potential for greater fluctuations should market activity and conditions improve more broadly.

ASX explorers' administration expenditure ($M)

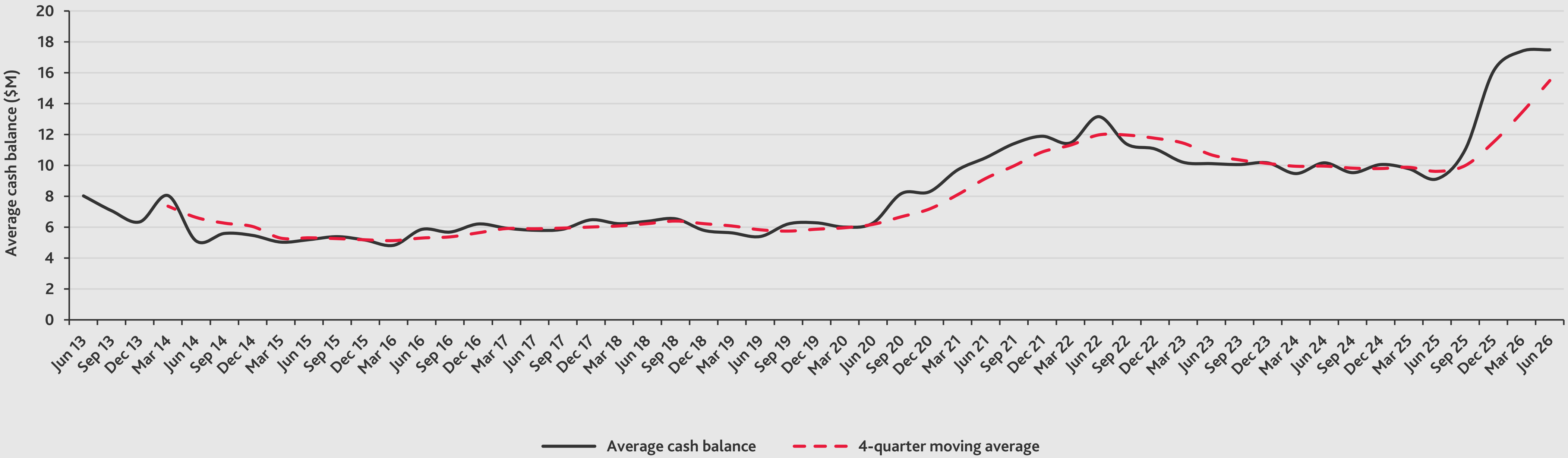


June 2026 quarter cash position

The June 2026 quarter recorded a total cash balance of $13.04 billion, broadly in line with the previous quarter and remaining 8% above the prior record set in the December 2025 quarter. While the headline cash position was largely unchanged, the underlying movement in the quarter was more significant. Explorers maintained record levels of liquidity despite record levels of exploration expenditure and net investing cash outflows. This indicates that the strong funding accumulated over recent quarters is increasingly being converted into exploration activity, project advancement and broader investment initiatives, without materially reducing the sector's overall cash reserves.

The average cash balance per explorer remained broadly stable, increasing from $17.39 million in the March 2026 quarter to $17.48 million in the June 2026 quarter. Once again, this represents the highest level recorded in our analysis since June 2013. As illustrated in the chart above, the four-quarter moving average continued to rise, increasing from $13.40 million in the March 2026 quarter to $15.49 million in the June 2026 quarter. The broader distribution of cash balances suggests that improvements in liquidity were not limited solely to the largest explorers, with funding positions diversifying across the broader cohort.

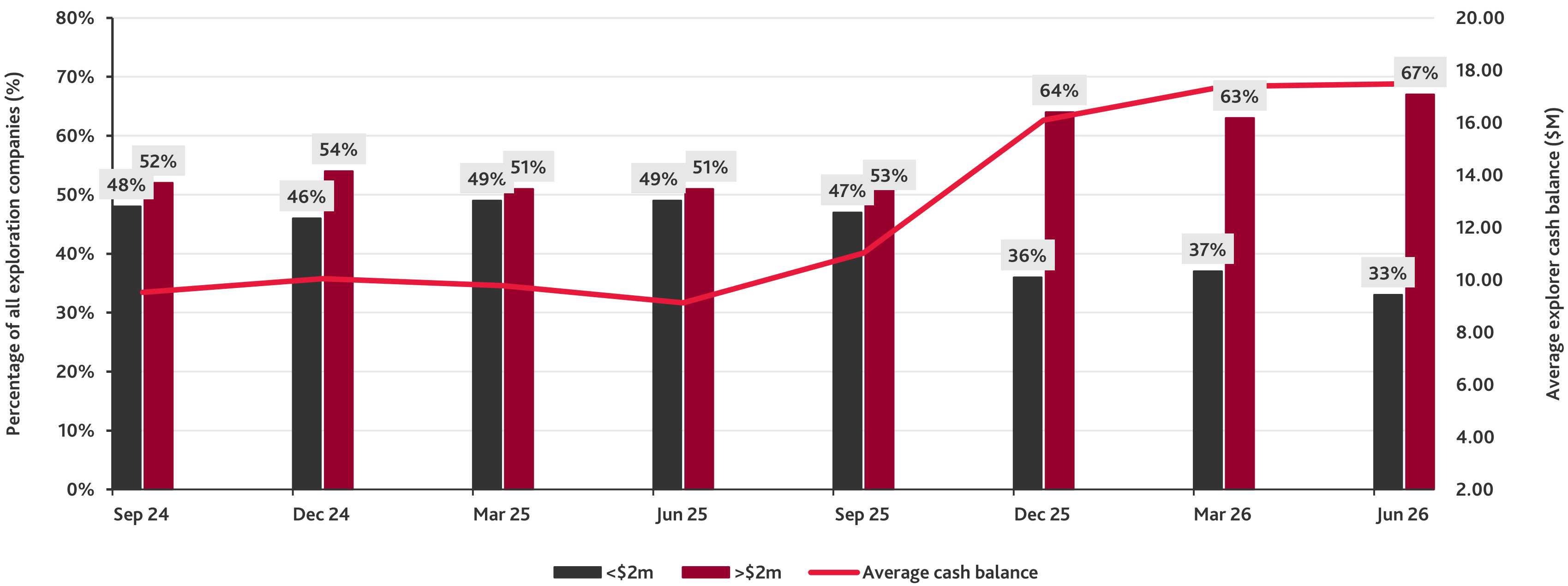
Average cash balance over time



Unlike recent quarters, where elevated cash balances largely reflected capital waiting to be deployed, the June 2026 quarter saw explorers increasingly convert funding into exploration and investment activity, with these outflows both exceeding $1 billion. Against this backdrop, stable cash balances suggest explorers remain well-funded even as activity levels continue to accelerate.

Consistent with this trend, the proportion of companies holding more than $2 million in cash increased from 63% in the March 2026 quarter to 67% in the June 2026 quarter, while those holding less than $2 million declined from 37% to 33%. This improvement suggests that funding strength continues to extend beyond the largest explorers, providing a broader segment of the sector with the financial capacity to advance exploration and development activities.

ASX explorers' cash balance



Number of companies lodging Appendix 5B reports: June 2014 – June 2026

746 exploration companies lodged Appendix 5B reports for June 2026, down from 750 in March 2026. The net decrease of four companies partially reverses the modest increase recorded in the previous quarter, indicating that the number of reporting exploration entities remained broadly stable despite ongoing market uncertainty during the quarter.

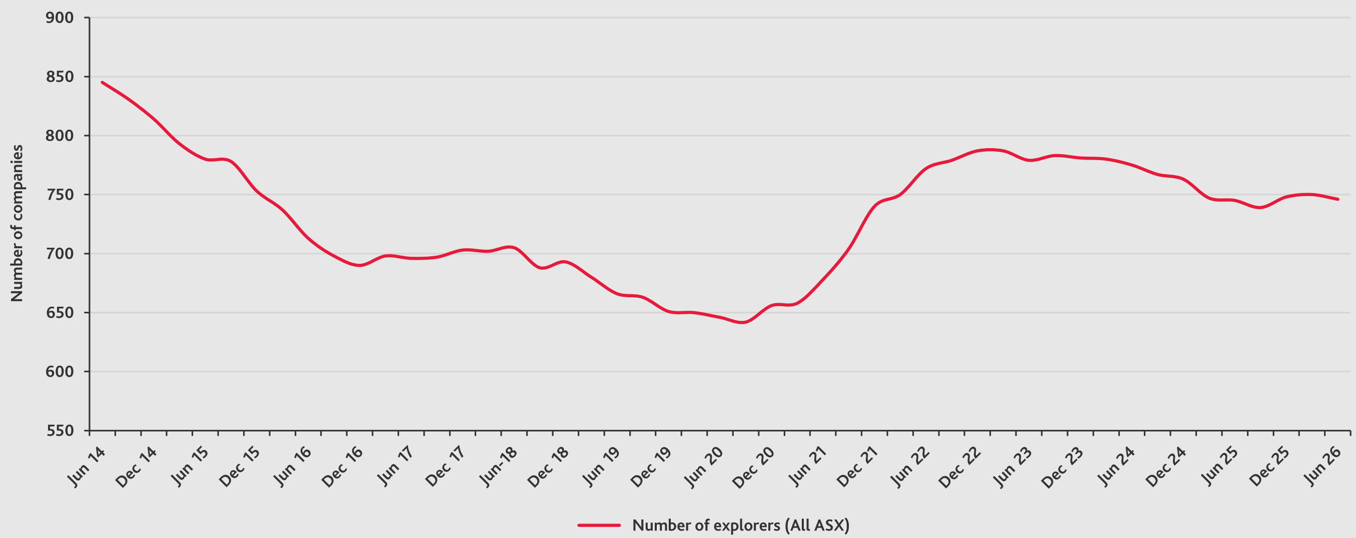
Three companies completed an IPO this quarter:

- Bison Resources Limited
- Daly Resources Ltd
- Kaoko Metals Limited.

Tetragon Energy Limited also completed an IPO, albeit after the end of the quarter, but has been included in our list as it lodged an Appendix 5B for the June 2026 quarter.

We note that Li-FT Power Ltd and Pan African Resources PLC also completed IPOs during the quarter. However, as both companies are foreign-domiciled entities (Canada and the United Kingdom, respectively), they are not required to lodge an Appendix 5B and have therefore not been included in our list.

Number of companies to lodge 5B Reports from June 2014 – June 2026



ChemX Materials and WA Kaolin Limited returned to our list during the quarter. ChemX Materials resumed lodging Appendix 5B reports following its reappearance in the December 2025 quarter, while WA Kaolin Limited resumed lodging Appendix 5B reports after undergoing a voluntary suspension to undertake a recapitalisation during the March 2026 quarter. Both entities were excluded from our previous quarter analysis as their March 2026 quarter Appendix 5B reports were lodged after the completion of our data collection period.

Among the companies added to the cohort during the quarter, two were focused on gold exploration or had exposure to gold through copper-gold assets, one explored for fluorite, copper and zinc, and one operated in the oil & gas sector.

The June quarter saw a modest decline in the number of reporting exploration entities, partially reversing the increase recorded in the previous quarter. While exploration activity and listing levels remained broadly resilient, continued geopolitical and macroeconomic uncertainty contributed to a more selective investment environment. Elevated gold prices, supported by ongoing tensions in the Middle East and broader safe-haven demand, continued to provide a favourable backdrop for gold-focused explorers; however, softer sentiment towards some industrial commodities and ongoing volatility in global capital markets may have tempered new exploration listings and corporate activity during the quarter. Despite these headwinds, Australia remained an attractive jurisdiction for exploration investment, supporting a relatively stable population of listed exploration companies. The strength in M&A activity, particularly within the gold sector, comes as little surprise given the uncertain macroeconomic backdrop, elevated gold prices and continued central bank demand for gold as a reserve asset.

The six new explorers that reported an Appendix 5B during the June quarter were offset by ten companies that did not report Appendix 5Bs for the following reasons:

- Six companies were delisted as a result of being acquired, being:
  - Emmerson Resources Limited was acquired by Pan African Resources PLC
  - Hartshead Resources NL was acquired by ACAM GP Limited
  - Magnetic Resources NL was acquired by Genesis Minerals Limited
  - Peel Mining Limited was acquired by Aeris Resources Limited
  - Toro Energy Limited was acquired by Iso Australia Operations Pty Ltd
  - Winsome Resources Limited was acquired by Li-FT Power Ltd
- One company changed entity type and therefore is no longer required to lodge an Appendix 5B:
  - Black Cat transitioned from project developer to multi-operation gold producer as the June quarter marks the first quarter of 100% Black Cat production from its Kal East Gold Operation
- Two companies appointed voluntary administrators during the quarter, therefore remaining suspended and did not lodge an Appendix 5B:
  - Pilot Energy Limited
  - Triangle Energy (Global) Limited
- Nova Minerals Limited redomiciled from Australia to the US and is therefore no longer required to lodge an Appendix 5B.

BDO Insight – Confidence amid chaos

If the June 2026 quarter demonstrated anything, it was the resilience of ASX-listed explorers amid a turbulent global macroeconomic environment. Despite ongoing conflict in the Middle East, continued geopolitical instability, and uncertainty surrounding global trade and capital markets, explorers continued to advance projects, deploy capital and pursue growth opportunities. While financing conditions appeared more selective than the exceptionally strong environment experienced in late 2025, the sector recorded near-record cash balances of $13.04 billion, exploration expenditure exceeded $1 billion for the first time since December 2023, and net investing cash outflows also surpassed $1 billion as companies increasingly converted funding into activity.

Notably, the June quarter represented a departure from the historical seasonal pattern typically observed across the sector. Financing activity moderated for a second consecutive quarter, yet average financing inflows remained broadly consistent with the two-year average. In our view, this is more indicative of a normalisation following a particularly robust December 2025 quarter than a material deterioration in funding conditions. While recent industry commentary points to a more selective funding environment than that experienced six to twelve months ago, the data indicates that quality projects and advanced-stage companies continue to attract investor support.

Gold remained the sector's north star, continuing to drive funding activity, exploration expenditure, and investor sentiment. Elevated gold prices, safe-haven demand, and geopolitical uncertainty continue to underpin the investment case for gold explorers and developers, particularly those capable of shortening development timelines, expanding resources or leveraging existing infrastructure. While our June 2025 edition questioned whether lithium and uranium activity would rebound and whether IPO markets would reopen, a defining theme of the June 2026 quarter was the resurgence of rare earths and broader critical minerals. Although lithium and uranium activity remained comparatively subdued, rare earths emerged as a key funding destination as governments and investors alike increased their focus on strategic supply chains and resource security.

The growing prominence of rare earths has been accompanied by a notable shift in policy priorities. As governments increasingly view critical minerals through the lens of economic and national security, initiatives such as the Critical Minerals Strategic Reserve are reinforcing the strategic importance of rare earths and other critical minerals within global supply chains. Combined with ongoing efforts by major economies to diversify mineral supply chains and reduce concentration risk, these developments may continue to provide a favourable backdrop for advanced critical minerals projects over the medium term. The increasing investment being directed towards companies such as Arafura is consistent with this broader policy and market shift.

At the same time, the number of explorers lodging Appendix 5B reports remained broadly stable, despite continued IPO activity. This stability appears to reflect merger and acquisition activity offsetting new entrants. Rather than signalling contraction, we see this as evidence of a sector evolving through consolidation, as larger and better-capitalised companies seek scale, project pipeline diversification and exposure to strategically important projects.

Looking ahead, the sector enters the second half of 2026 at an apparent inflection point. Having spent much of the past year strengthening their balance sheets, explorers are increasingly turning their attention towards growth and project advancement. While geopolitical uncertainty, interest rates and capital market conditions remain important variables, record cash balances, elevated expenditure levels, and continued investment in project development suggest explorers remain focused on growth. The June 2026 quarter may ultimately be remembered as the point at which the sector began transitioning from accumulating capital to deploying it, with explorers increasingly committing balance sheet strength towards long-term project advancement and strategic growth initiatives.

The second half of 2026 will also see what the initial impact of the recently introduced capital gains tax (CGT) changes will have on the number of exploration IPOs. The abolition of the current 50% CGT discount is likely to have an outsized impact in this sector given the high risk nature of exploration. Exploration IPOs commonly raise between $5 million and $10 million at IPO. Whilst raising this level of funds may not be an issue, getting the required spread of shareholders may be a concern if retail investors are put off by the CGT changes.

"A recurring theme throughout the June quarter was the increasing influence of strategic considerations on capital allocation. Beyond commodity fundamentals, resource security, supply chain resilience, and project maturity are becoming increasingly important factors in determining where capital is deployed."

Adam Myers, Partner, Deal Advisory

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