

Explorer Quarterly Cash Update

December Quarter 2025

Research into the financial health of Australian-listed explorers: Quarter ended 31 December 2025



Exploration activity gains momentum, with total expenditure increasing to \$915.65 million in the December 2025 quarter, up from \$792.15 million recorded in the December 2024 quarter.



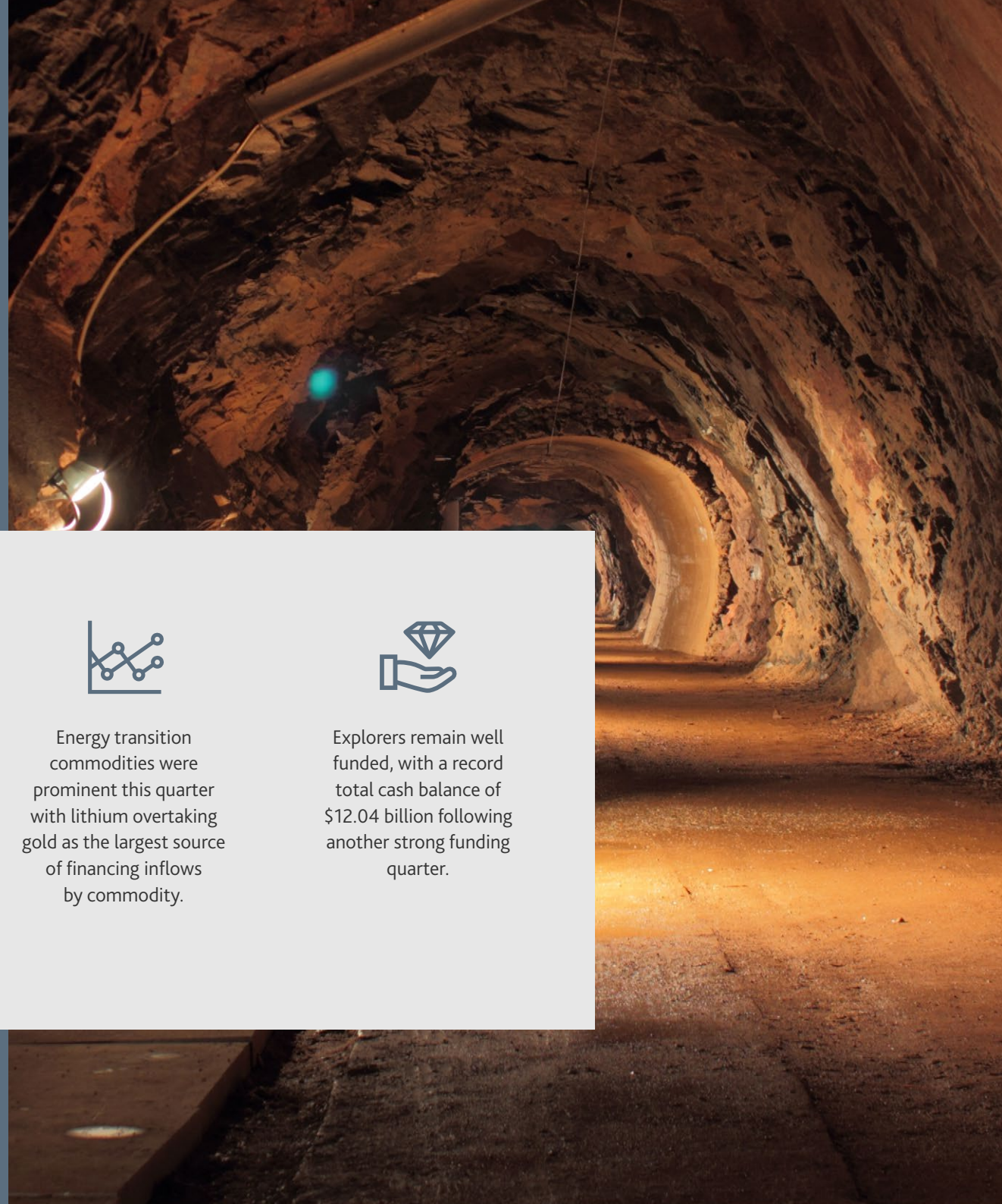
Gold has topped the podium as the leading commodity in the 2025 calendar year for exploration activity, financing inflows, and IPOs, amid a year of record prices.



Energy transition commodities were prominent this quarter with lithium overtaking gold as the largest source of financing inflows by commodity.



Explorers remain well funded, with a record total cash balance of \$12.04 billion following another strong funding quarter.



Foreword

BDO's report on the financial health and cash position of Australian-listed explorers for the December 2025 quarter (based on Appendix 5B reports lodged with the Australian Securities Exchange (ASX)) suggests a positive outlook for the exploration sector, underpinned by record quarterly financing inflows, a sharp year-end uplift in exploration activity, and the strongest cash position since our series began in June 2013. During the quarter, robust capital inflows and stronger commodity prices drove an impressive uplift in activity. Investor sentiment improved, supported by tightening supply conditions across key commodities, and an increased global focus on critical minerals. Gold remained a dominant force, with prices repeatedly hitting new highs against a backdrop of geopolitical uncertainty and a more accommodating global monetary environment.

Fundraising conditions were exceptionally strong during the quarter, with explorers securing \$5.63 billion in the December quarter, up 61% on the September 2025 quarter. The December inflow represents the largest quarterly financing inflow since we began our analysis in 2013. Equity was again the dominant source of capital, accounting for 89% of funds raised. While gold continued to attract substantial funding inflows, significant support was also directed to energy-transition and critical minerals including lithium, uranium, rare earths, and copper.

A total of 103 companies raised funds of \$10 million or more (which we have termed 'Fund Finders'). Fund Finders accounted for approximately 84% of total quarterly funds raised. Lithium overtook gold as the top-funded commodity for the first time since the December 2023 quarter which was primarily driven by Vulcan Energy Resources Limited (Vulcan Energy), who had a \$957.29 million equity raise that accounted for 88% of lithium-sector inflows for the quarter. Growth in lithium financing inflows during the quarter, largely driven by Vulcan Energy, reflects Europe's lithium supply deficit and the rising demand from Electric Vehicles (EVs) and energy storage systems, alongside the global expansion of electrification systems and the need to diversify sources of supply.

Exploration expenditure strengthened progressively through 2025, rising from \$644.73 million in the March 2025 quarter to \$916.77 million in the December 2025 quarter, nearly reclaiming the previous peak of \$1.01 billion recorded in the December 2023 quarter. This marks a clear reversal of the more subdued exploration profile seen throughout 2024. While exploration expenditure gathered momentum during 2025, the average quarterly spend of \$783.53 million remained marginally below the 2024 average of \$790.16 million, reflecting the slow start to the year. This growth in expenditure through 2025 was largely driven by increased gold and critical minerals exploration activity, with a broad cohort of companies increasing their exploration budgets as opposed to a small number of heavyweight spends.

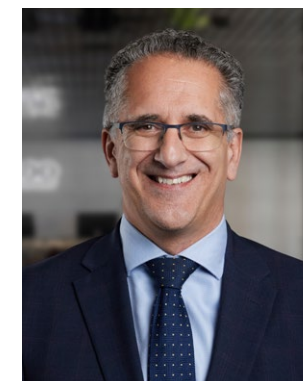
Three of the five top exploration spenders in the December quarter were gold, or gold-exposed explorers, specifically copper-gold explorers Firefly Metals Limited (Firefly Metals), Capricorn Metals Limited (Capricorn), and Pantoro Gold Limited (Pantoro).

Reflecting the record quarter of financing inflows and compounding that of the September 2025 quarter, explorers' total cash balances climbed to \$12.04 billion. This represents the highest total cash balance since our analysis began and surpasses the previous \$10.15 billion peak set in the June 2022 quarter. The proportion of companies with cash balances greater than \$2 million also increased to 64% up from 53% in the September 2025 quarter. Together, these metrics provide a clear indication of the improving financial health of ASX explorers and point to a positive outlook for the sector.

Net investing cash outflows increased 16% from \$511.37 million in the September 2025 quarter to \$637.10 million in the December 2025 quarter. 46% of companies recorded net investing outflows, the highest proportion recorded over the last two years. European Lithium Limited (European Lithium) and Lithium Energy Limited (Lithium Energy) reported the largest net investment cash inflows of \$110.60 million and \$32.39 million, respectively.

After two subdued years for new listings, initial public offering (IPO) activity rebounded in the December 2025 quarter and across the year more broadly. 11 explorers listed and lodged an Appendix 5B for the first time in the December quarter, with nine of these being gold or gold-exposed explorers. This contributed to a total net increase of one company lodging an Appendix 5B across 2025, compared to the decline of 18 companies in 2024. BDO were involved in four of these IPOs during the quarter, including BMC Minerals Limited (BMC Minerals), Black Horse Mining Limited (Black Horse Mining), Right Resources Limited (Right Resources), and Desert Minerals Limited (Desert Minerals). The 2025 calendar year saw eight ASX listings by Canadian exploration companies, all of which performed well from listing through to 31 December 2025. BDO acted as investing accountant to four of those eight Canadian listings.

Looking forward, this quarter signals that ASX explorers enter 2026 with substantial momentum. Record financing inflows, rising exploration expenditure, improved cash reserves and a recovery in IPO activity collectively point to a more resilient and optimistic environment for explorers. While macroeconomic uncertainty and volatility in commodity prices remain ongoing considerations, broader participation across gold and energy-transition minerals indicates renewed investor support in the sector. Should these conditions persist, the sector appears well-positioned to sustain these activity levels into 2026, reinforcing the foundations laid during a standout December quarter.



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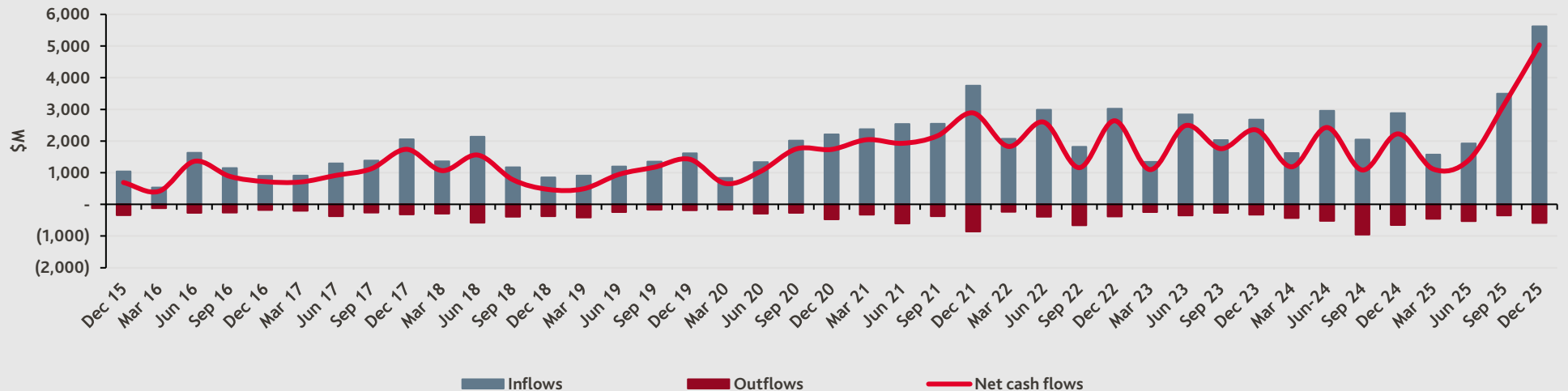
Financing cash flows

The December quarter has historically been the strongest fundraising period for explorers, and this pattern continued in 2025. Financing cash inflows rose sharply, increasing by 61% to \$5.63 billion, up from \$3.49 billion in the previous quarter. This continues the upward trend that began in the June 2025 quarter after the dip recorded in the March 2025 quarter. This December inflow was the largest quarterly financing inflow since the start of our explorer analysis in 2013. The previous highest inflow was \$3.75 billion in the December 2021 quarter. On a

per-company basis, financing inflows averaged \$7.52 million per explorer, 140% above the two-year average of \$3.13 million (since December 2023). Financing outflows increased during the quarter, rising 69% to \$596.97 million from \$347.73 million in September 2025.

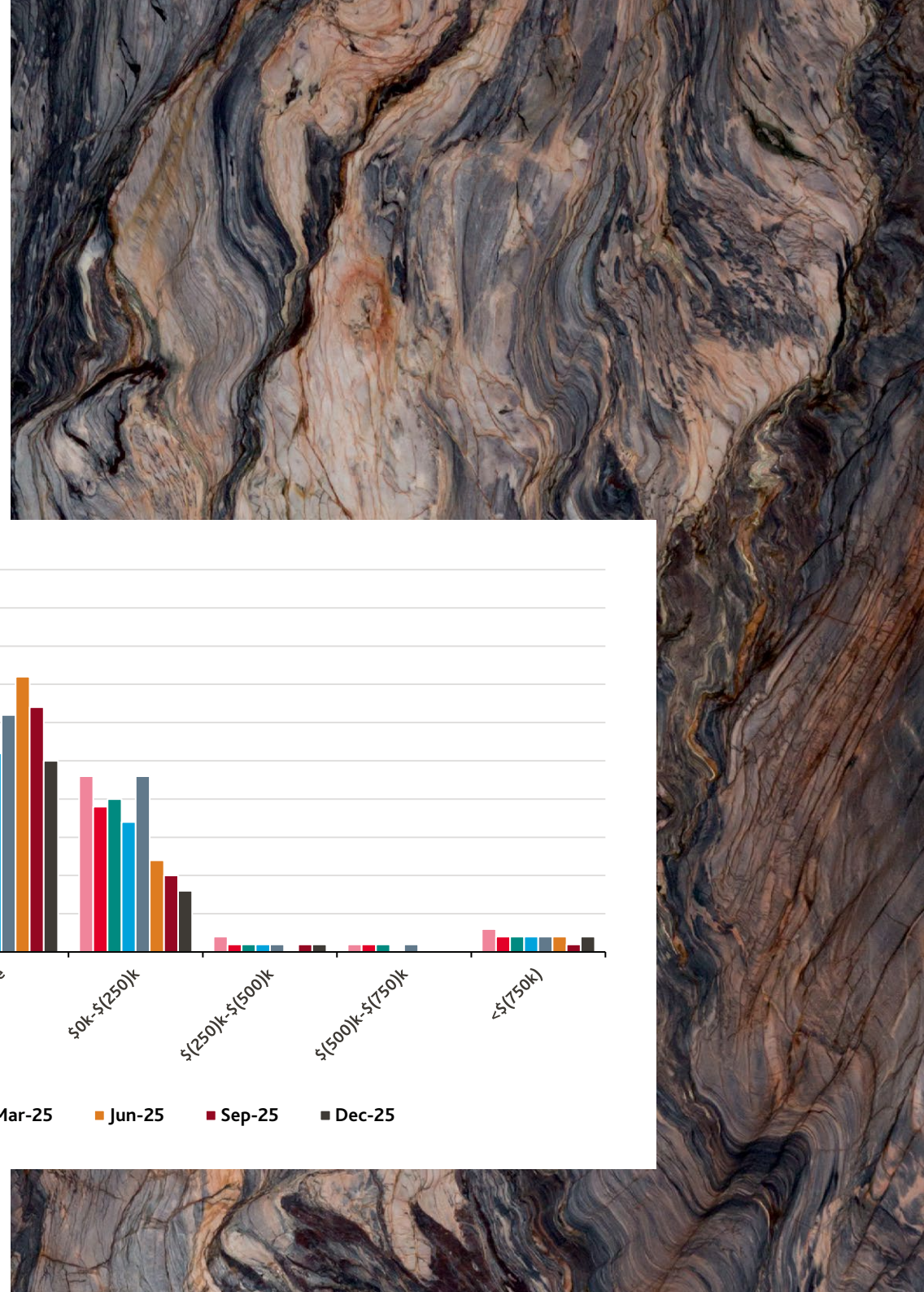
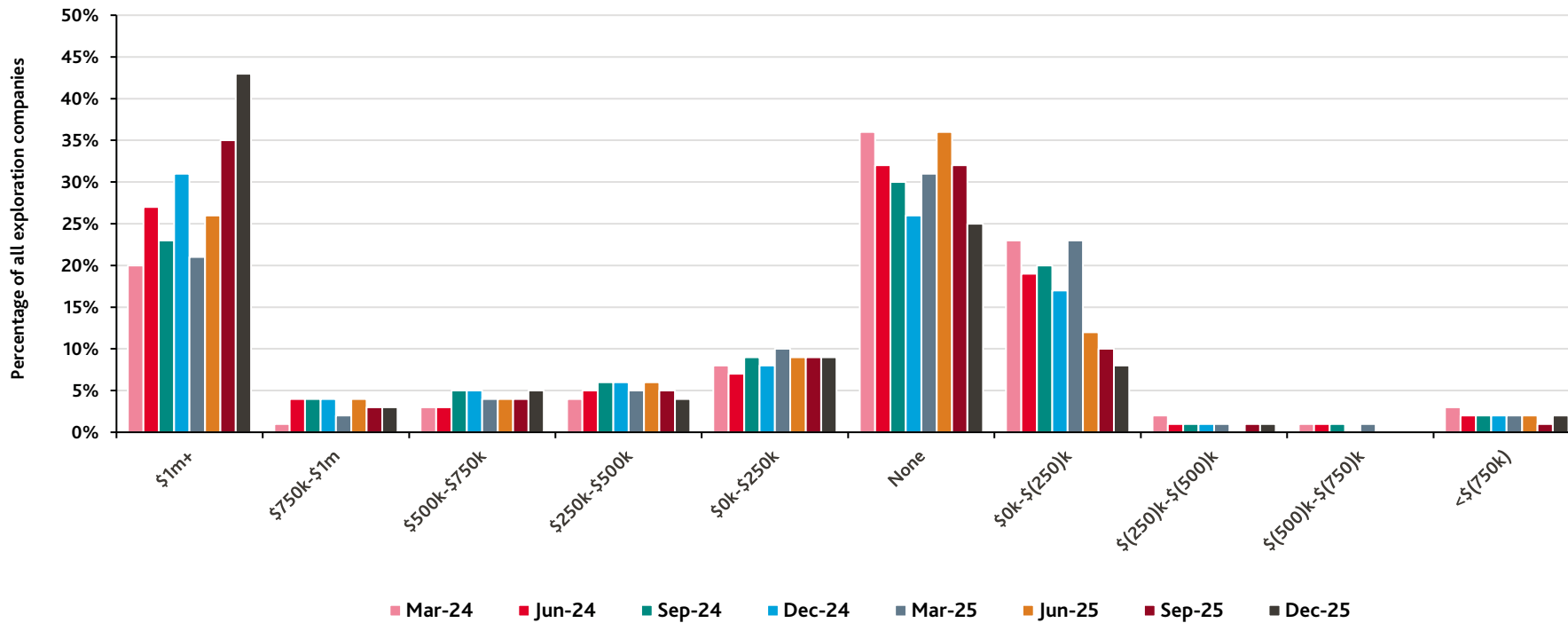
Overall, this resulted in a net financing cash inflow of \$5.04 billion, a 60% increase over the September 2025 quarter. This is not only the largest quarterly net financing inflow in the past decade, but like financing inflows, was the highest recorded since our surveys began in June 2013. The previous highest net inflow was \$3.15 billion in the September 2025 quarter, which highlights the change in funding environment experienced by explorers over the past two quarters, evidenced in the graph below.

ASX explorers' financing cash flows (\$M)

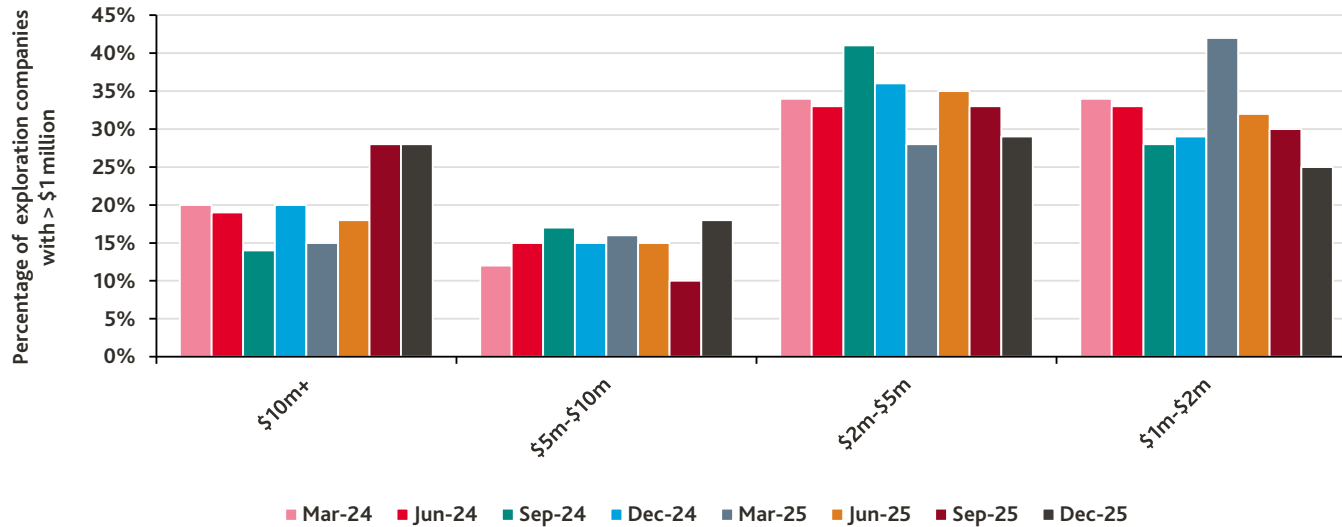


The figure below illustrates that the share of exploration companies reporting a net financing cash inflow larger than \$1 million has increased from 35% in the September 2025 quarter to 44% in the December 2025 quarter. This represents an increase of 11% compared with the December 2024 quarter. This uplift demonstrates an improving funding environment for the exploration sector. At the same time, there has been a reduction in the number of companies recording either nil financing cash flows or cash inflows under \$250k, pointing to strengthening capital availability across the industry.

Net financing cash flows (%)

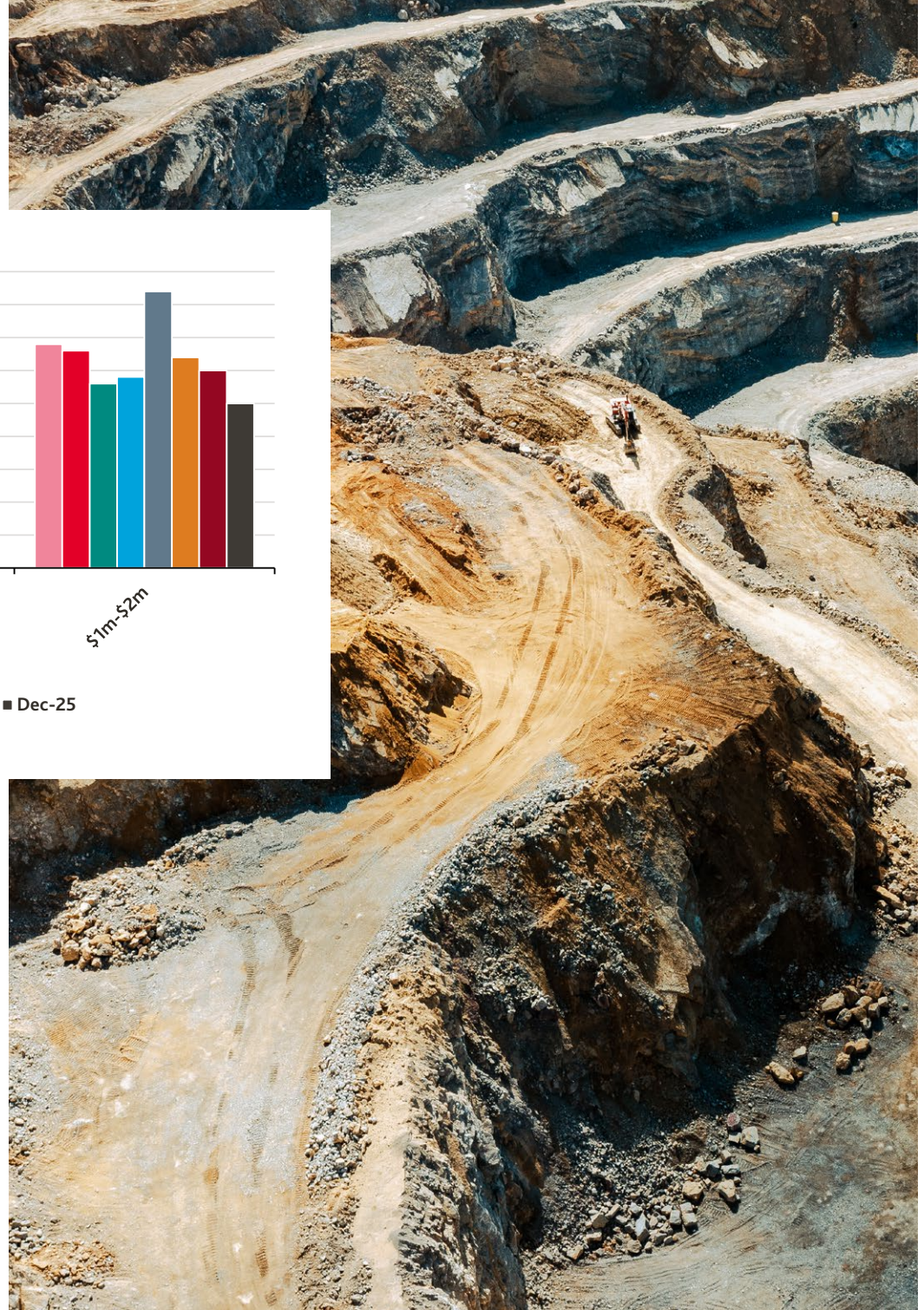


Net financing cash flows greater than \$1 million (%)



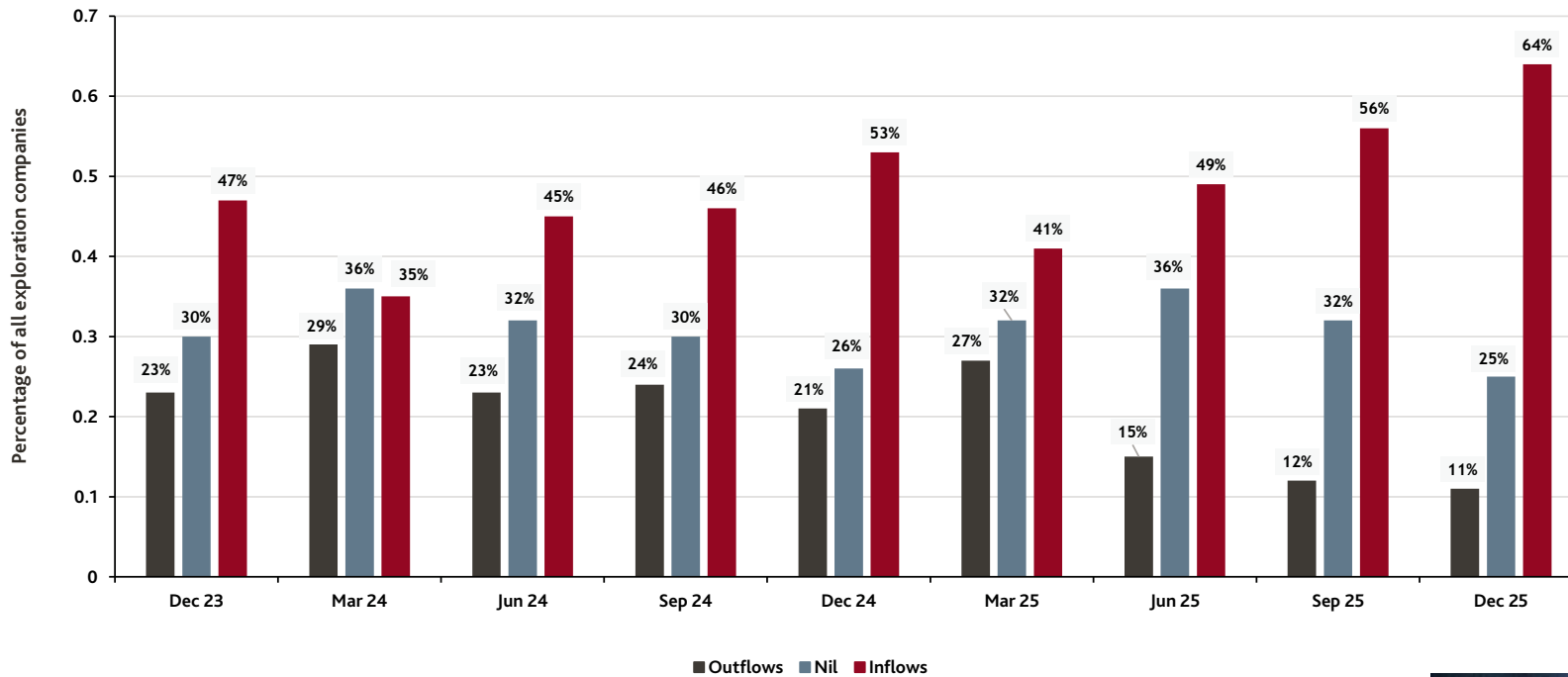
As seen in the chart above, 54% of companies reported net financing cash flows between \$1 million and \$5 million in the December 2025 quarter, down from 63% in the previous quarter. The share of companies reporting between \$5 million and \$10 million increased from 10% to 18%, reaching a two-year high. The proportion of companies with net cash flows above \$10 million remained steady at 28%, matching the September 2025 quarter, where it reached its highest point in two years.

This upward shift in exploration companies securing funds above \$5 million reflects growing investor preference for explorers with clearer development pathways and stronger resource definition. The growing share of larger financing inflows signals improving sentiment and stronger market health, with investors showing greater confidence in backing both developing and early-stage exploration ventures. This trend is reflected in the significantly larger Fund Finder cohort observed in the December 2025 quarter (see Fund Finder section on page 8 for more details).

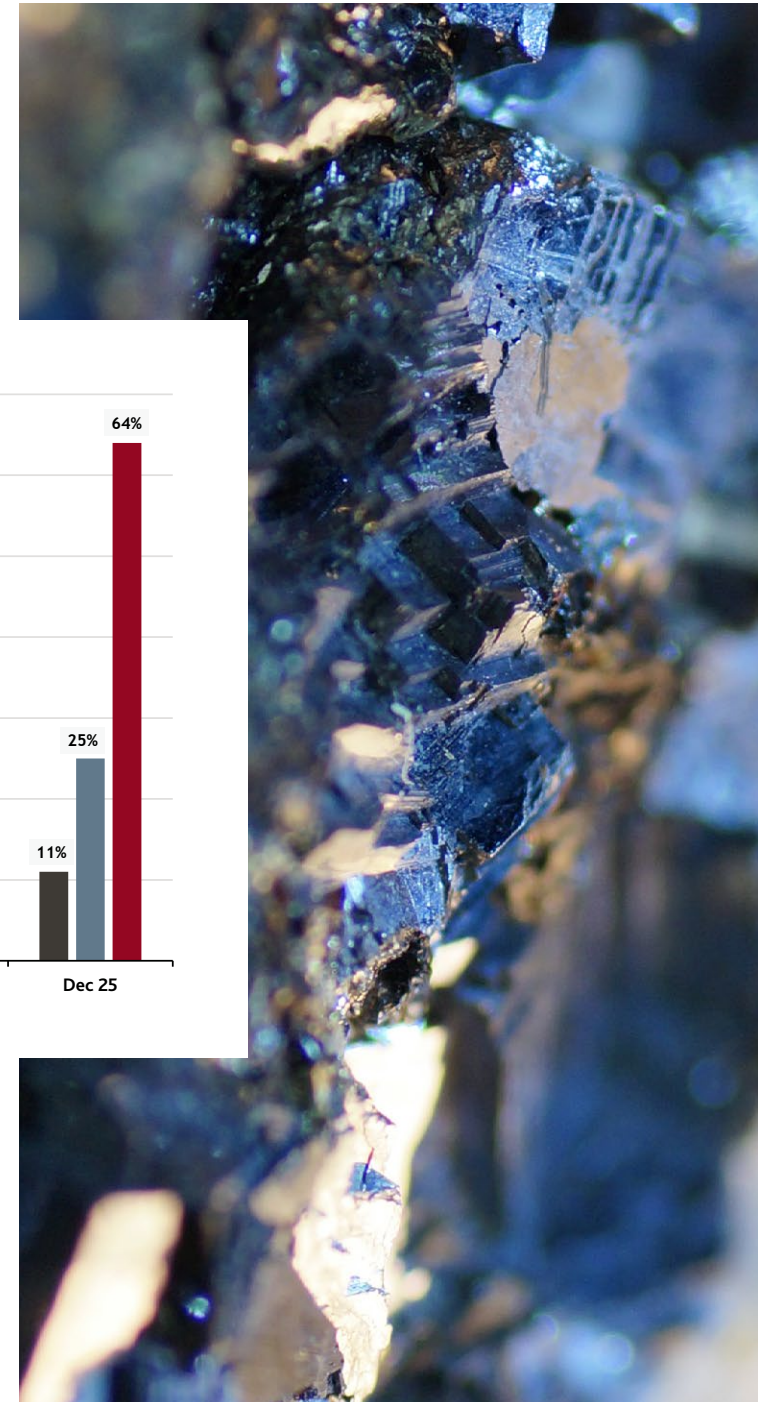


As shown in the figure below, the proportion of companies that reported a net financing inflow increased from 56% in the September 2025 quarter to 63% in the December 2025 quarter. This represents the highest share in the past two years (since December 2023) and matches the peak of 63% last recorded in the September 2020 quarter. The sustained uplift in the proportion of companies reporting a net financing inflow in 2025 reinforces evidence of a renewed upswing in the exploration sector, driven largely by better capital availability for explorers.

Financing cash flows (%)



At the opposite end of the financing spectrum, the proportion of companies that reported a net financing outflow decreased slightly from 12% to 11%. Consistent with the strong inflow trend, the share of companies reporting a net financing outflow remains at historically low levels. Meanwhile, the proportion of companies that reported a net financing cash flow of zero reduced from 32% to 25%, indicating broader participation across the sector as more explorers actively raised or deployed capital.



Fund Finders

The December 2025 quarter saw a 32% increase in Fund Finders, rising to 103 companies from 78 in the previous quarter. Fund Finders are defined as companies that recorded debt and equity raises of \$10 million or more. These companies raised approximately \$4.74 billion, around 65% higher than the \$2.88 billion raised by 78 companies in the previous quarter. On average, the Fund Finder cohort for the December 2025 quarter raised \$46.01 million per company and contributed approximately 84% to the total financing inflows.

Lithium companies surpassed gold companies for the first time since the December 2023 quarter, albeit driven by one heavyweight raise. While gold remained the dominant individual group with 31 Fund Finders, lithium's five qualifying explorers led the shift in composition for the quarter. The remaining 67 companies represent a broad mix of commodities including oil & gas, rare earths, and a diverse suite of silver-linked profiles including silver-gold, silver-zinc, and silver-lead.

Equity continued to be the preferred source of capital, accounting for 89% of total funds raised, totalling \$4.19 billion. The Fund Finder cohort for this quarter nearly doubled relative to December 2024, when 57 companies collectively raised \$2.17 billion. Notably, the 2025 calendar year has broken away from the historical pattern of heightened equity raising activity typically concentrated in the June and December quarters. Instead, every quarter of 2025 delivered a larger Fund Finder cohort and stronger capital inflows, contrasting to the more volatile, stop-start pattern observed between 2022 and 2024.

The top ten largest fund raises in the December 2025 quarter are set out on the right:

Company name	Commodity	Mechanism of raising
Vulcan Energy Resources Limited	Lithium	\$957.29 million raised from proceeds from the issue of equity securities*
Arafura Rare Earths Limited	Rare Earths	\$500.72 million raised from proceeds from the issue of equity securities
Rox Resources Limited	Gold	\$218 million raised from proceeds from the issue of equity securities \$2.73 million raised from the exercise of options
Firefly Metals Limited	Copper-Gold	\$149.11 million raised from proceeds from the issue of equity securities
Brazilian Rare Earths Limited	Rare Earths	\$120 million raised from proceeds from the issue of equity securities
Toubani Resources Limited	Gold	\$80.31 million raised from proceeds from the issue of equity securities \$27.50 million raised from the exercise of options
Cyprium Metals Limited	Copper-Gold	\$62.83 million raised from proceeds from the issue of equity securities \$41.85 million raised from proceeds from borrowings
BMC Minerals Limited	Silver, Zinc, Copper-Gold	\$99.19 million raised from proceeds from the issue of equity securities
Boab Metals Limited	Lead, Silver, Zinc	\$90.42 million raised from proceeds from the issue of equity securities
European Lithium Limited	Lithium	\$53.58 million raised from proceeds from the issue of equity securities \$3.78 million raised from proceeds from borrowings \$36.77 million raised from the exercise of options

*Foreign-currency denominated inflows converted using the prevailing exchange rate as at 31 December 2025

Vulcan Energy recorded the largest financing inflow of the quarter, securing a total of \$957.29 million (EUR\$545.31 million) through a combined placement and entitlement offer, which raised \$698.69 million (EUR\$398 million), alongside a share purchase plan that contributed a further \$258.06 million (EUR\$147 million). These funds form part of a broader financing package intended to fully support Phase One of the Lionheart Project in Germany, an integrated lithium and renewable energy development. Proceeds will cover development costs through construction, commissioning and early operations, ultimately progressing the project to first cash flow. Phase One aims to establish Vulcan Energy as a central contributor to Europe's battery and electric vehicle supply chain, with plans to deliver 24,000 tonnes per annum of lithium hydroxide monohydrate. Capital will be directed towards major project infrastructure including the Organic Rankine Cycle geothermal renewable energy plant, a cooling tower, 110 kilovolt substation and associated pipeline. The successful raise also highlights the role of Australia's export credit agency in bolstering strategic partnerships and improving supply chain resilience amid accelerating global demand for critical minerals.

Arafura Rare Earths Limited (Arafura) came second on the Fund Finder podium, raising a total of \$500.72 million via a two-tranche placement and share purchase plan. The placement was on the back of material market-based and company milestones including the Nolan's project being highlighted as

the beneficiary of the US-Australia Critical Minerals Framework, which is expected to act as a catalyst for easier project assessments, funding, and securing offtake agreements between Australia and the US. The placement was supported by new and existing institutional investors including Arafura's largest shareholder, Hancock Prospecting Pty Ltd (Hancock Prospecting). Funds raised are to be used in funding capital costs, financing costs and the cash component of cost overrun facilities for the Nolan's project.

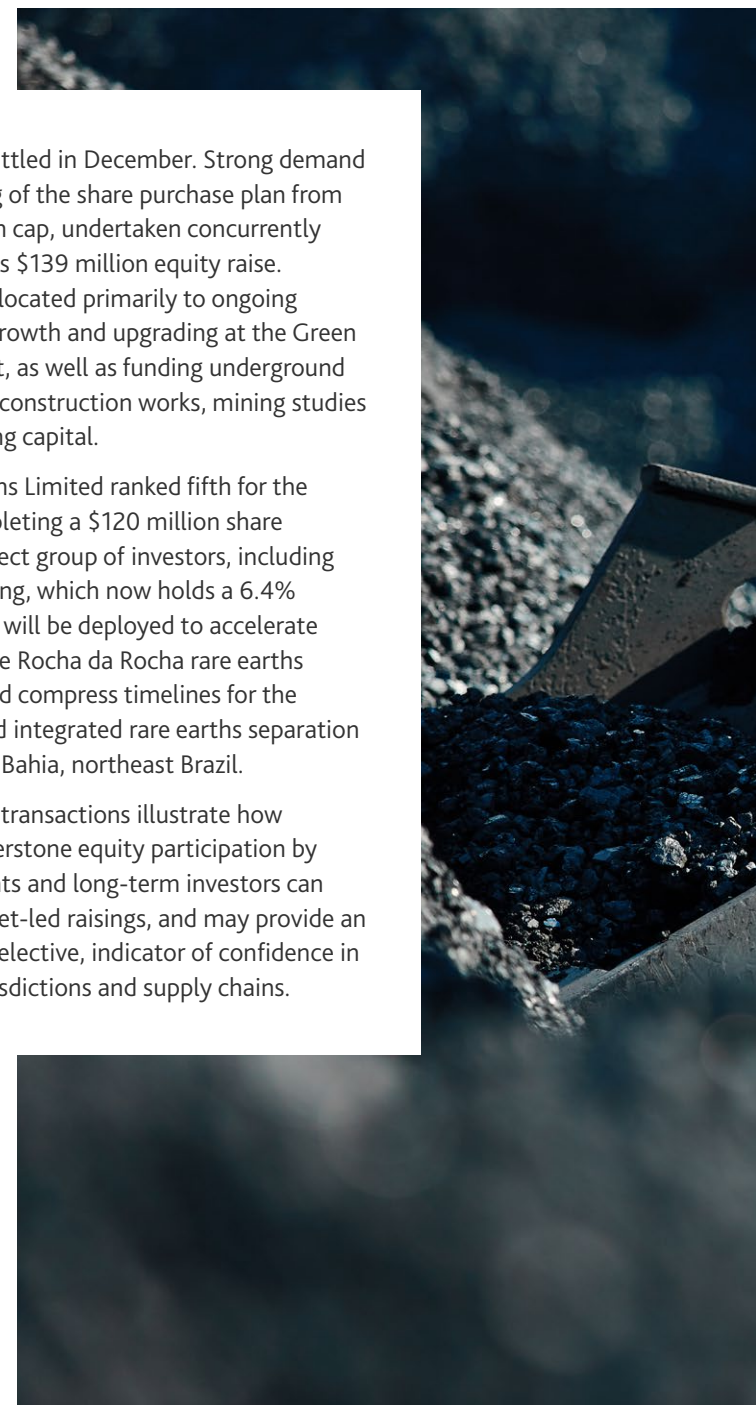
In third place, Rox Resources Limited (Rox Resources) raised a total of \$220.73 million, largely through an equity placement to institutional investors and an accompanying share purchase plan, which completed in December. Proceeds are earmarked to fully fund the equity component required for the development of the Youanmi Gold Project, including project development capital expenditure, resource definition and exploration drilling, working capital and financing costs. The company reported that global fund manager L1 Capital Pty Limited committed to approximately 171.4 million new shares, resulting in a 12.9% ownership stake at completion. Rox Resources also raised an additional \$2.73 million during the quarter through proceeds received from the exercise of options.

In fourth, Firefly Metals secured a combined \$149.11 million through a multi-part equity raise and share purchase plan. The company accessed both domestic and international capital, including a charity flow-through placement to Canadian

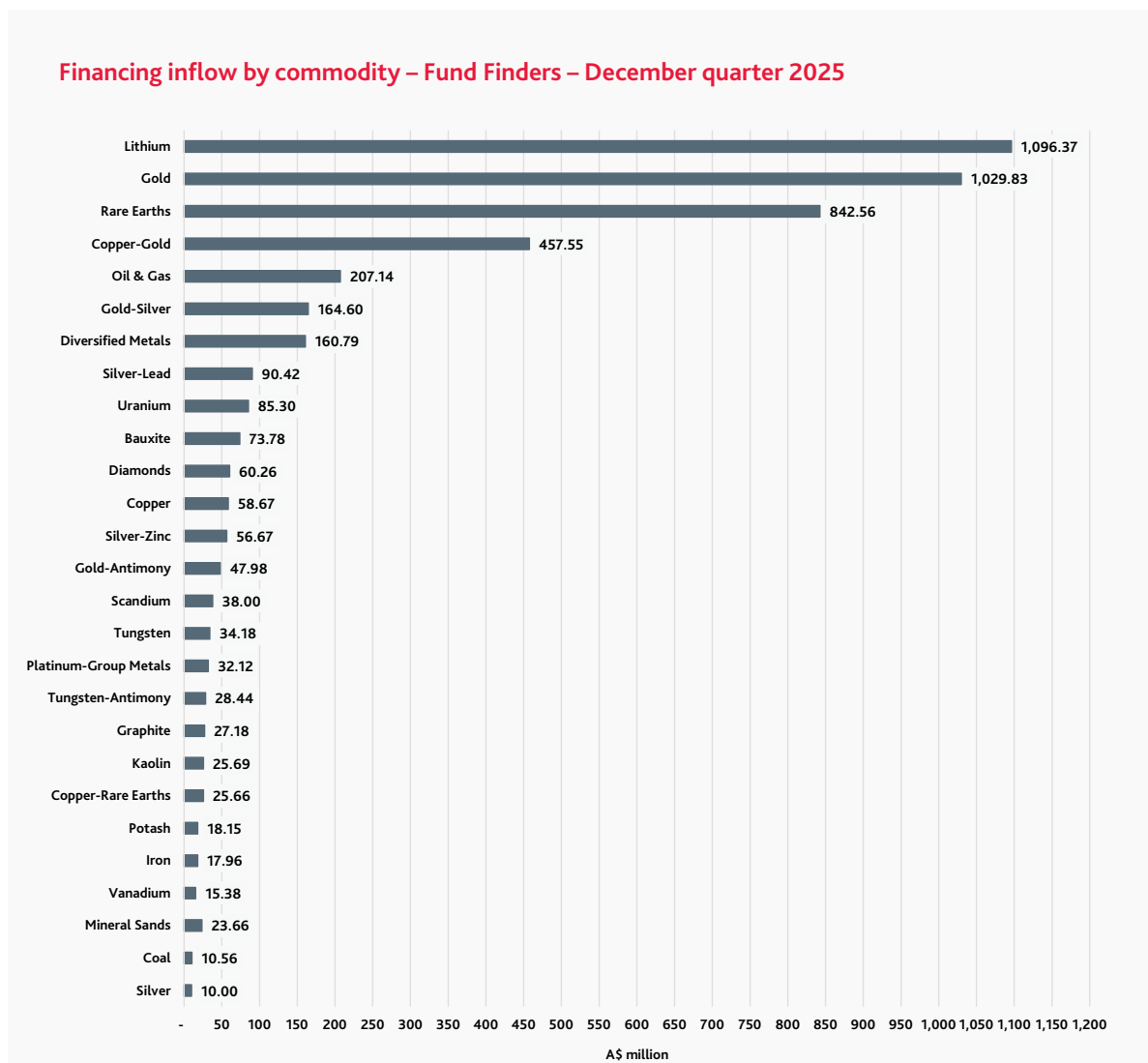
investors, which settled in December. Strong demand led to the doubling of the share purchase plan from its initial \$5 million cap, undertaken concurrently with the company's \$139 million equity raise. Proceeds will be allocated primarily to ongoing mineral resource growth and upgrading at the Green Bay Copper Project, as well as funding underground development, pre-construction works, mining studies and general working capital.

Brazilian Rare Earths Limited ranked fifth for the quarter after completing a \$120 million share placement to a select group of investors, including Hancock Prospecting, which now holds a 6.4% interest. The funds will be deployed to accelerate development of the Rocha da Rocha rare earths project in Brazil and compress timelines for the company's planned integrated rare earths separation refinery located in Bahia, northeast Brazil.

Collectively, these transactions illustrate how strategic and cornerstone equity participation by industry participants and long-term investors can complement market-led raisings, and may provide an additional, albeit selective, indicator of confidence in specific assets, jurisdictions and supply chains.



Financing inflow by commodity – Fund Finders – December quarter 2025



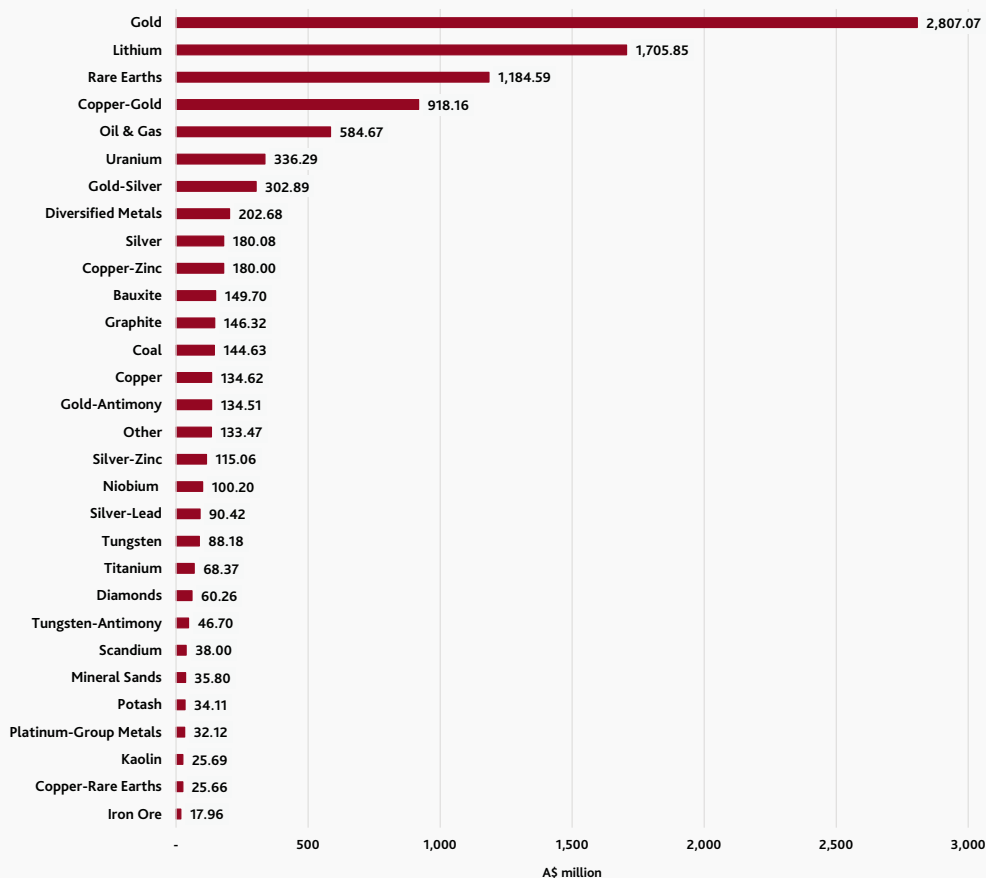
Lithium surged to be the top-funded commodity in the December 2025 quarter, overtaking gold despite only five lithium explorers featuring in the December 2025 Fund Finders. Lithium financing inflows totalled \$1.09 billion, largely driven by Vulcan Energy's \$957.29 million capital raise, a sign of confidence as the lithium market rebounded late in 2025 after a period of weakness. Europe's growing lithium deficit and rapidly expanding electrification efforts continue to drive investment in the region, while global prices and demand forecasts point to signs of sector growth, albeit at a slower rate than that observed over 2021-2022. The outlook for ASX lithium explorers and developers remains cautious, even amongst the improving pricing environment experienced towards the end of the December 2025 quarter.

This is reflective of demand being weaker than anticipated over the short term and as such projects which meet strategies such as supply chain security are favoured. Over the longer term we expect to see a focus on production costs to be the key factor when demand rises over the mid-to longer-term.

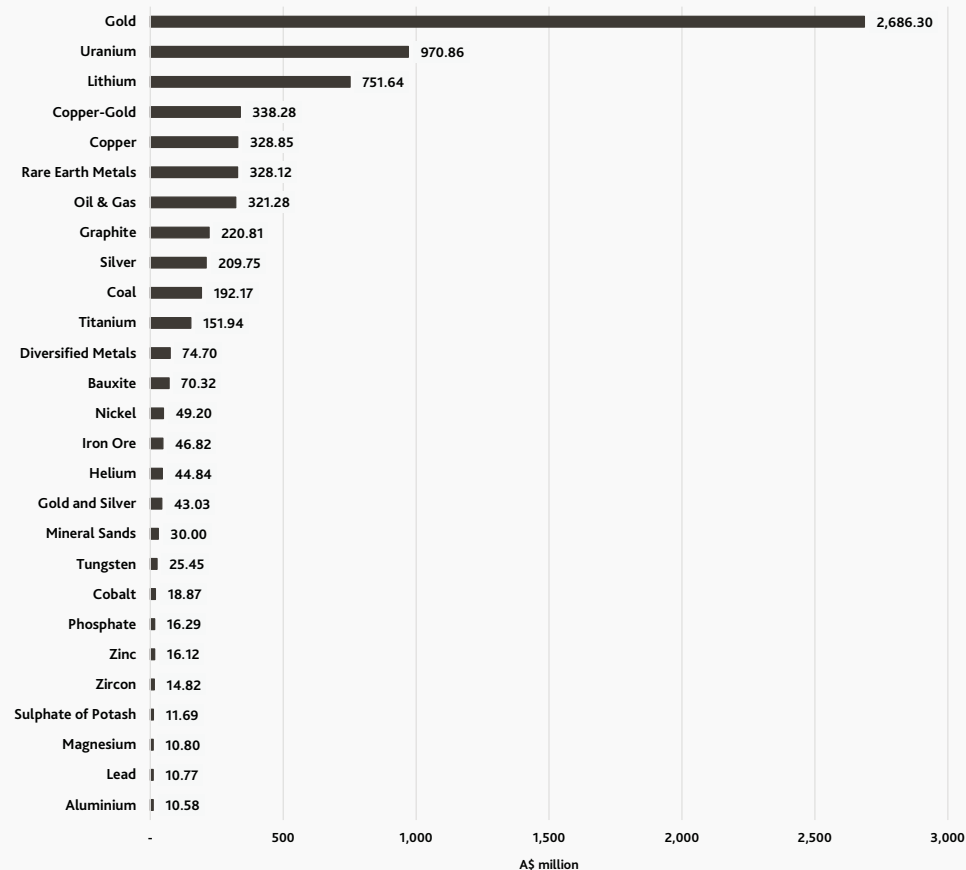
Gold explorers remained a major force this quarter, collectively raising \$1.03 billion, nearly double the \$552.50 million secured in the prior quarter. However, this surge was not enough to keep the commodity in the top fundraising position for all four quarters of 2025. Despite slipping to second place in the December 2025 quarter, gold continued to solidify its status as investors' preferred investment, with strong inflows into companies such as Rox Resources and Toubani Resources Limited underscoring sustained market confidence. This sentiment was further buoyed by gold prices reaching a new record above US\$4,300/oz during the quarter, driven by demand for bullion on the back of trade concerns, an uncertain economic outlook in the US and continued geopolitical tensions. Momentum is expected to continue as the gold price continues to increase and funds raised during the quarter from gold explorers are deployed on exploration campaigns, which may see a number of existing explorers transition from explorers to developers in a relatively short period of time.

Financing inflow by commodity – Fund Finders – By calendar year

Financing inflow by commodity – Calendar year 2025



Financing inflow by commodity – Calendar year 2024



Since 2021, the interplay between traditional safe-haven assets and critical minerals has shaped the Fund Finder landscape, and in 2025 that dynamic strengthened further. Fund Finders raised a total of \$10.02 billion across 249 companies, compared with \$7.16 billion from 170 companies in 2024. This 46.5% increase was the largest amount of Fund Finders in a calendar year since the beginning of our analysis in 2013. Whilst gold retained the number one spot as the largest Fund Finder by commodity, contributing 28% of total funds raised, it marked a notable decline from its 38.4% share in 2024. This shift indicated that although investors continued to anchor portfolios towards defensive assets, capital allocation broadened meaningfully across the commodity spectrum. Lithium, rare earths and other critical minerals captured a larger proportion of funding relative to prior years, reflecting renewed conviction in commodities required to support energy storage capabilities and technology related inputs. With 38 commodity groupings represented in 2025, compared to 27 in 2024, the market demonstrated increasing breadth. However, funding remained concentrated overall with the top five commodities accounting for 71.8% of total funds raised and the top three comprising 56.8%, underscoring a selective capital allocation environment. Further, the top seven commodities were the same across 2024 and 2025, albeit that after gold the order of the remaining six changed in 2025.

Gold explorers secured a record \$2.81 billion in our 2025 Fund Finder analysis, marking the largest standalone commodity inflow in our reporting to date. Sustained historic gains in the gold price through 2025, the current pricing environment and forecasts, have improved the economics of early-stage projects, accelerating drilling and resource definition campaigns. Additionally, some of the capital raised during the year was deployed to support acquisitive strategies, as larger and better capitalised producers increasingly sought to secure derisked ounces through mergers and acquisitions rather than relying solely on greenfield exploration. This dynamic has, in turn, sharpened investors' focus on explorers that have actively advanced resource definition around existing projects.

The strength of the funding rally reflects investors following the continued central bank accumulation, as gold explorers in the development and pre-production phase focus on timely ramp-ups to first pour.



Broader structural demand drivers continued to underpin capital allocation across energy related metals in 2025. Consistent with themes highlighted in the [BDO Global Mining Report](#) rising electricity demand from data centres, increased cooling requirements in developing economies, and sustained investment in electricity grid infrastructure are expected to remain key drivers of long-term demand. These dynamics provided important context for the funding activity observed across several commodities over the year.

As the exploration sector continues to thrive, we have observed companies such as Black Cat Syndicate Limited (Black Cat) and West African Resources Limited (West African Resources) transition from explorers to producers, with several other explorers strongly positioned to commence production in the coming quarters. The largest single cash inflow was recorded by De Grey Mining Limited, who secured \$279.70 million in proceeds from the maturing of term deposits, prior to being acquired by Northern Star Resources Limited. Over the year, Rox Resources raised a total of \$274.80 million primarily attributed to the \$200 million placement completed in the December 2025 quarter.

Lithium returned to the number two position in 2025, with \$1.71 billion raised, accounting for 17% of total funds raised by Fund Finders. This rebound in capital flows was driven by a stabilisation and minor recovery in lithium prices over the course of the year, following a sharp decline in the previous two years. Improving pricing helped to restore investor confidence in the medium-term demand outlook for battery materials and supported renewed funding for advanced development stage assets. Over 60% of the lithium funds raised by Fund Finders over 2025 were generated by Vulcan Energy who raised \$1.03 billion.

Other notable raises over the year include \$386.50 million secured by Liontown Resources and \$128.88 million raised by European Lithium. The concentration of capital in these advanced projects underscores renewed investor conviction in near-term lithium producers.

Rare earths ranked third among Fund Finders over 2025, with \$1.18 billion raised, representing the largest annual cash inflow recorded for the rare earths sector since the commencement of our Fund Finder analysis. Financing inflows by rare earth explorers increased by 261% from 2024, reflecting intensified efforts to diversify supply chains and heightened geopolitical attention on the role of critical minerals use in electric vehicles, renewable energy, and defence. Arafura raised a total of \$571.30 million over 2025, concentrated in the latter half of the year, with the second largest raise coming from Lindian Resources.

Policy support aimed at diversifying critical mineral supply chains and developing alternative processing capacity provided an important tailwind for the sector in 2025. In this context, increased funding activity is consistent with growing strategic interest in rare earth exploration and development.

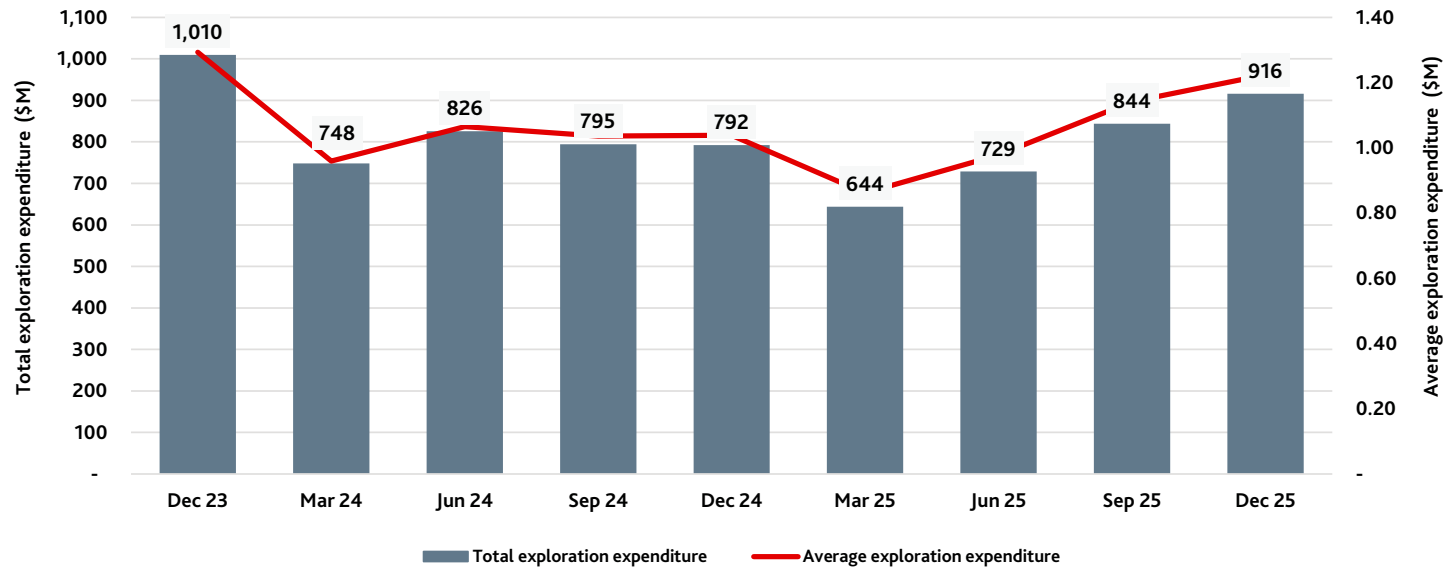
Copper once again emerged as a key focus for investors based on the 2025 Fund Finder analysis, with copper-related explorers securing a total of \$1.26 billion, copper-gold led this charge with \$918.16 million raised, ranking fourth in our list. As a critical mineral underpinning data centre infrastructure, renewable energy systems, electric vehicles and the electrical grid system, copper's importance in the global energy transition continues to rise amid expectations of limited long-term supply and a growing global demand for the commodity. As noted on page 8, Fund Finders, Firefly Metals led the copper-gold segment with \$257.27 million, whilst Develop Global secured \$180 million within the copper-zinc category to fund redevelopment activities at the Woodlawn Project in New South Wales.



Exploration expenditure

Exploration expenditure increased to \$915.65 million in the December 2025 quarter, up from \$843.66 million in September 2025, marking a strong recovery from the March 2025 low of \$643.52 million. After trending lower throughout 2024 and into early 2025 due to rising costs and tighter access to capital, spending strengthened for the third consecutive quarter. Exploration spending during the December 2025 quarter sat above the recent two-year average of \$798.29 million, indicating robust exploration activity in the final quarter of 2025.

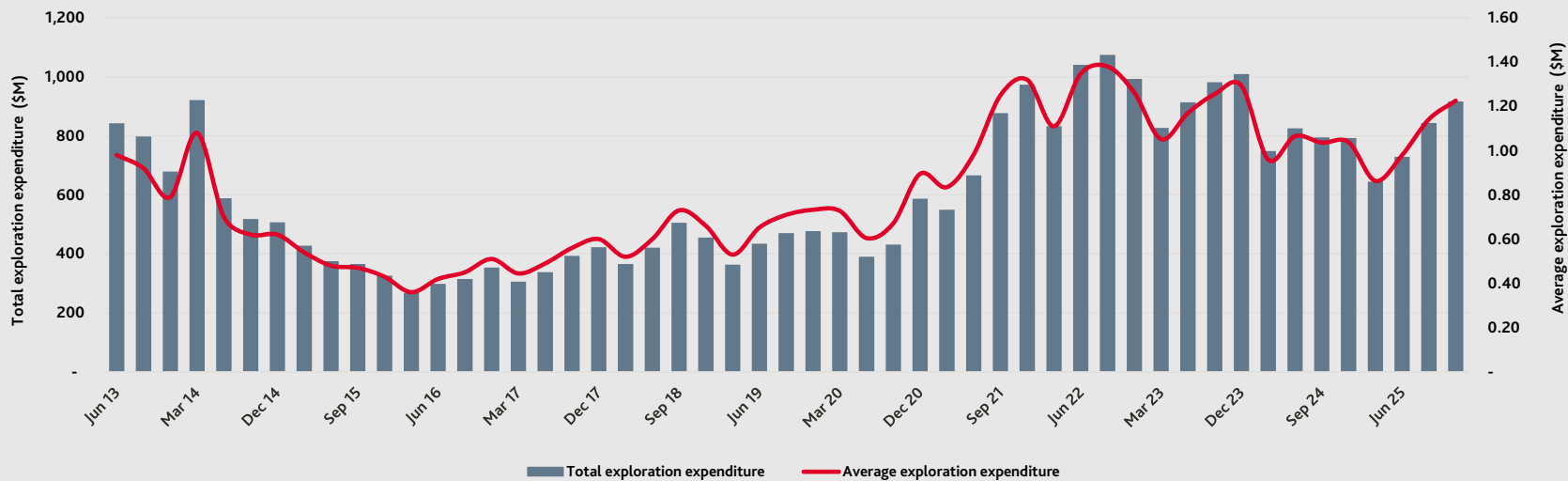
Total exploration expenditure – Last two years (\$M)



As seen from the long-term chart below, exploration expenditure has gradually risen from the low of \$266.75 million in March 2016, despite declining in December 2023 before bottoming in early 2025. The rebound through the second half of 2025 signals sustained improvement, however overall spending remains below the historical peaks reached during 2022 and 2023. The shift in momentum during 2025 was largely driven by gold and critical minerals exploration, however a sustained return to prior cycle highs will likely require an increase in activity across the entire sector.

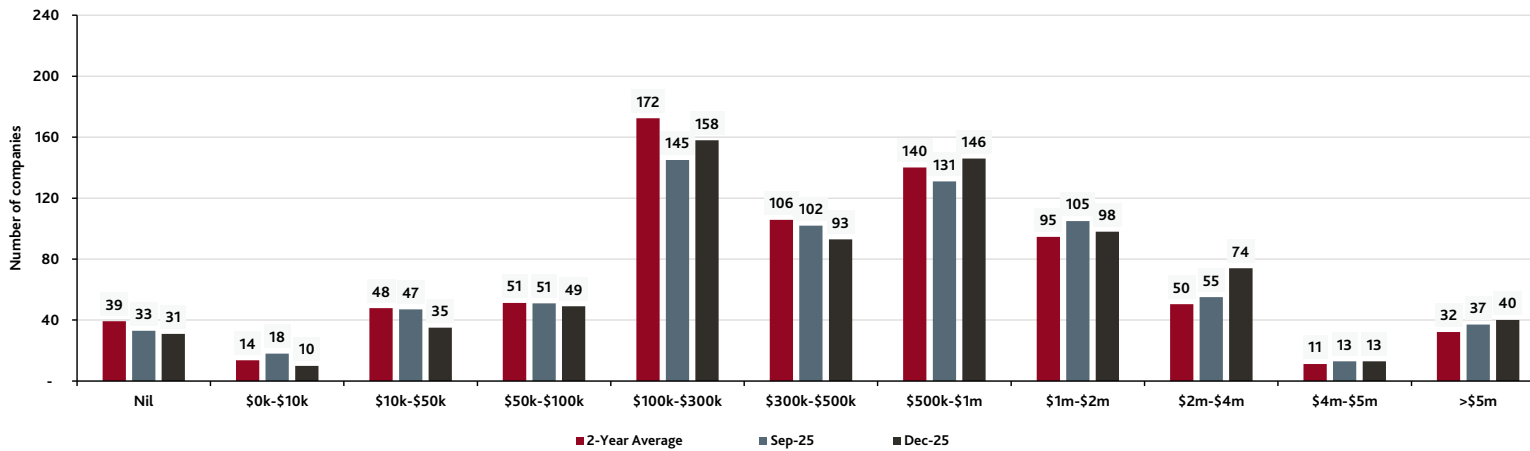


ASX explorers' total exploration expenditure (\$M)



Overall, the number of companies spending less than \$500k declined in the December 2025 quarter compared to September 2025, continuing the trend observed since the beginning of 2025. At the same time, the rise in companies spending greater than \$500k, particularly in the \$500k–\$1m and \$2m–\$4m brackets potentially points to a broadening of exploration activity across mid-tier explorers. Rather than being driven solely by a small number of large programs, expenditure growth appears to be supported by a larger cohort of companies increasing their exploration budgets. The greater than \$5 million category also edged higher, contributing to the overall uplift in aggregate spend for the quarter.

Number of companies by exploration expenditure

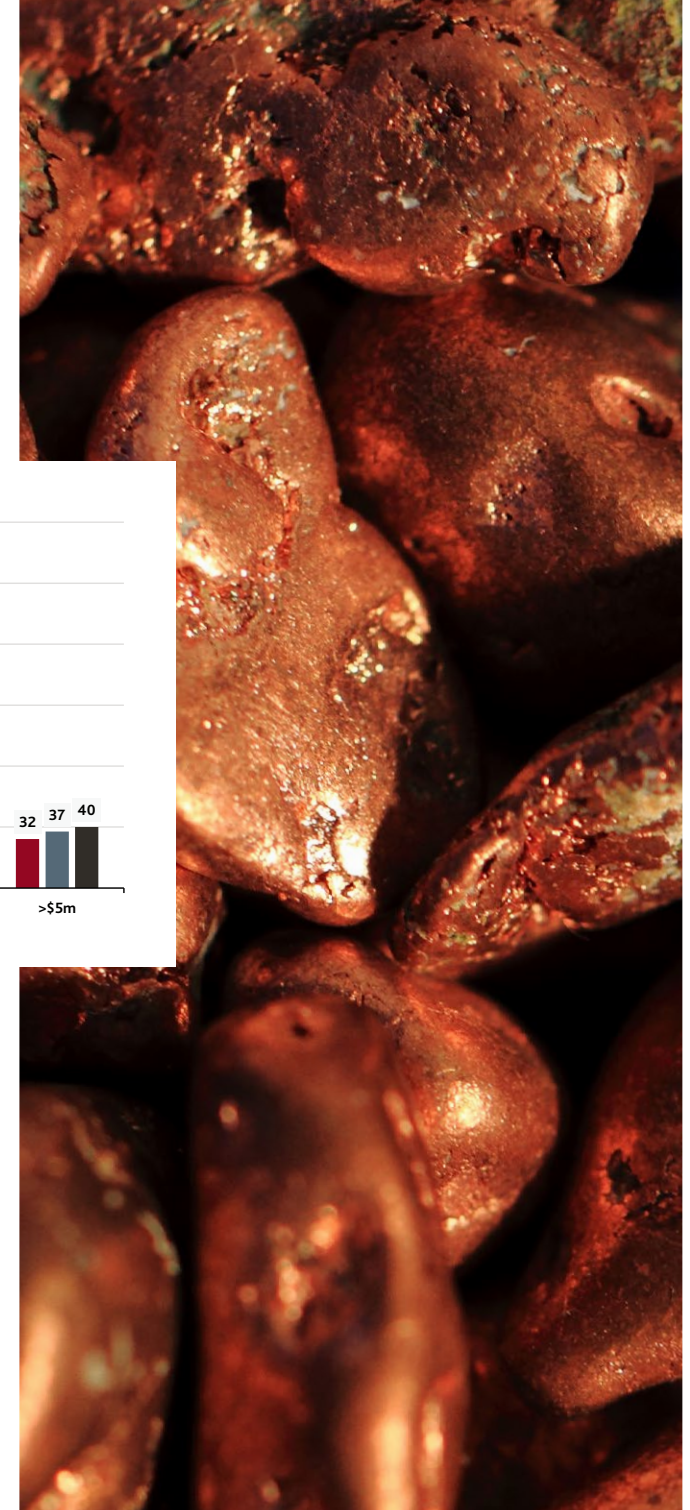


The top ten exploration spends for the December 2025 quarter totalled \$136.12 million, and included five gold companies, a copper company, a silver company, a mineral sands company, a niobium company and a rare earths company. Gold and copper continued to be the main exploration targets, led by all-time high gold prices and growing recognition of the importance of copper in the energy transition.

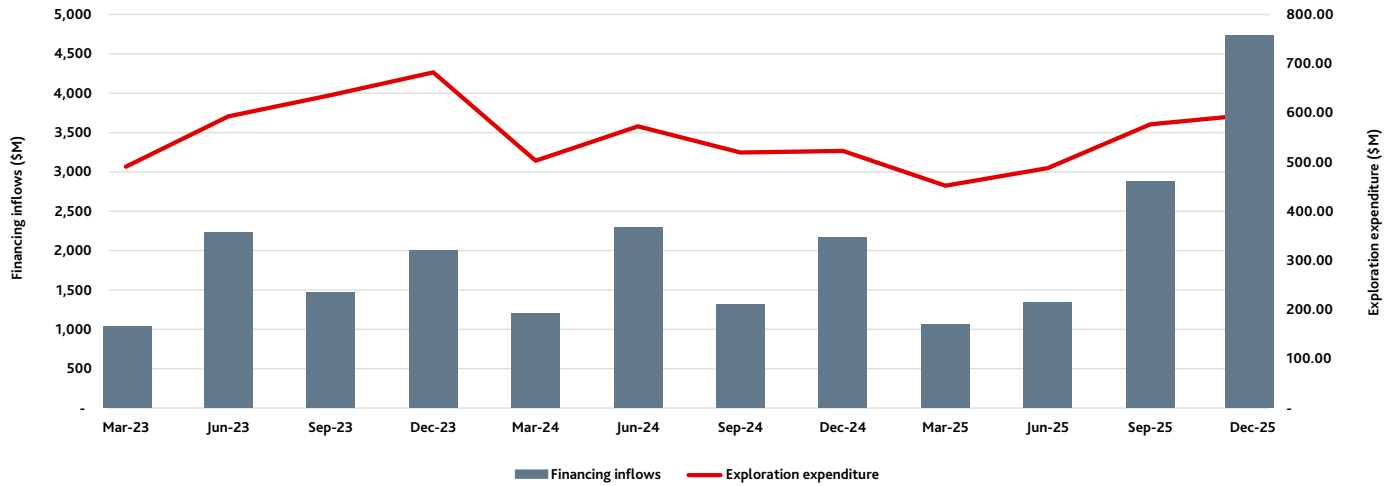
Copper-gold explorer Firefly Metals reported an exploration spend of \$22.12 million for the December 2025 quarter. Their expenditure was primarily related to underground development, exploration drilling to upgrade the resource, and to continue project and engineering studies for the upscaled resumption of mining at the Ming Mine in Newfoundland, Canada.

Gold producer Capricorn reported the second largest exploration spend of \$19.73 million for the quarter. The exploration expenditure was incurred in resource extension activities at the Orion South, Lexington, and Highway sites as part of the Mt Gibson Gold Project in Western Australia.

Gold producer Pantoro reported the third largest exploration spend of \$13.93 million for the quarter. The funds supported continued resource extension activities at its Scotia Underground Mine and resource definition activities at the Mainfield site, both part of the Norseman Gold Project in Western Australia.



Financing inflows & exploration expenditure by Fund Finders - Last three years

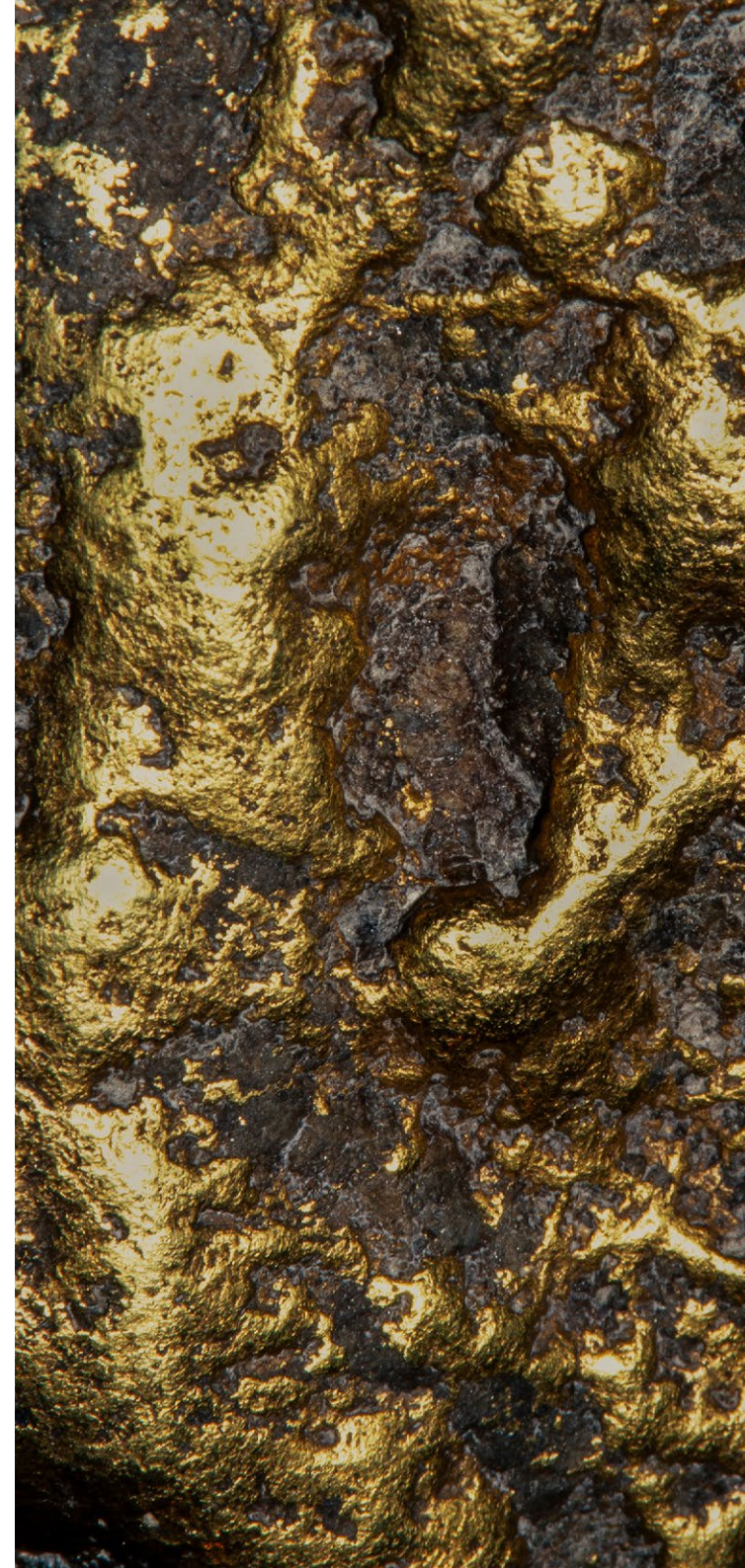


The graph above shows the funds raised by Funds Finders from the March 2023 quarter to December 2025 and the exploration expenditure reported by those companies over the same period. As shown in the graph, there has historically been a correlation between periods where Fund Finders have flourished and the increase in exploration activity of those relevant explorers.

Upon further analysis, we note whilst this correlation appears intuitive, the data suggests, funds raised for exploration activities tend to be spent around three to six months following the raise. For example, Capricorn raised approximately \$200 million in the December 2024 quarter, and out of all the Fund Finders in the quarter, reported the highest exploration expenditure in the June 2025 quarter. Another example is WA1 Resources Limited, which raised \$100.20 million in the September 2025 quarter and reported the fourth largest exploration spend in the December 2025 quarter.

Whilst acknowledging limitations in identifying the exact use of funds raised by Fund Finders over the time period shown in the graph above, nearly 30% of funds raised by Fund Finders were spent in ground on exploration campaigns (excluding September 2025 and December 2025). Further analysis indicates that, when combined with investing expenditure reported by the same group of Fund Finders over the same period, more than 70% of financing inflows were directed toward exploration and investment activities. The balance was primarily allocated to corporate and administrative costs, financing expenses and general working capital.

The graph above additionally highlights the inflection point identified in the prior quarter and highlights a mismatch in exploration expenditure over the second half of 2025. Based on the trend observed over the period and considering the jump in fundraising activity in the September and December 2025 quarters, we expect the exploration expenditure over the first two quarters of 2026 to pick up considering the growth in cash balances of explorers, not just Fund Finders, as outlined in earlier sections of this analysis.



Net investing cash flows

Explorers recorded net investing cash outflows of \$637.10 million in the December 2025 quarter, a 16% increase from the \$551.37 million reported in the September quarter. These outflows were heavily concentrated among a small group of companies, with five companies alone accounting for more than half of the total net investing outflows for the quarter.

West African Resources recorded the largest net investing outflow amongst explorers for the December quarter with \$112.89 million in net investing outflows, up from \$69.16 million in the September quarter. This increase was primarily driven by West African Resources' ongoing commitment to ramp up activities at its Kiaka Gold Project as well as infrastructure and equipment investment for its Toega Gold Deposit.

Strike Energy Limited was the second largest net investor for the December quarter with net investment outflows of \$61.13 million, up from \$26.01 million in the September quarter. The increase in investment expenditure was driven primarily by the company's intensified development spending across its projects most notably at South Erregulla. Strike Energy Limited's heightened investment activity was supported by the \$87.70 million share placement completed in the September quarter, which strengthened its capacity to fund ongoing project development.



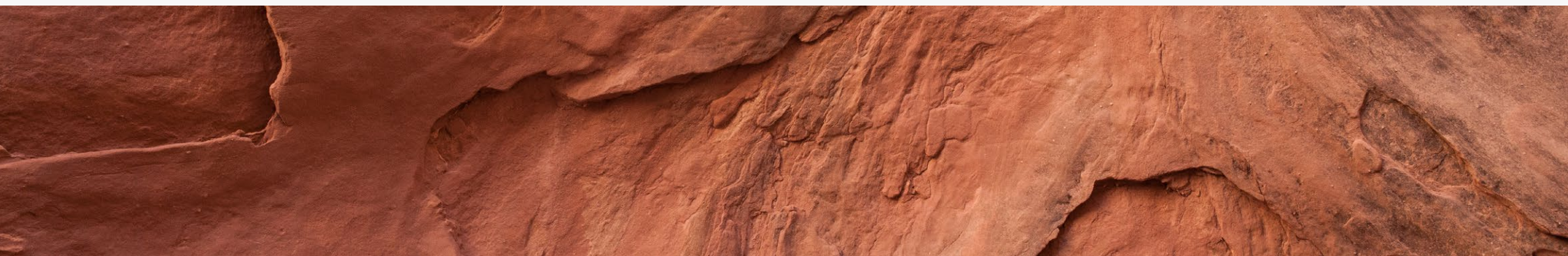
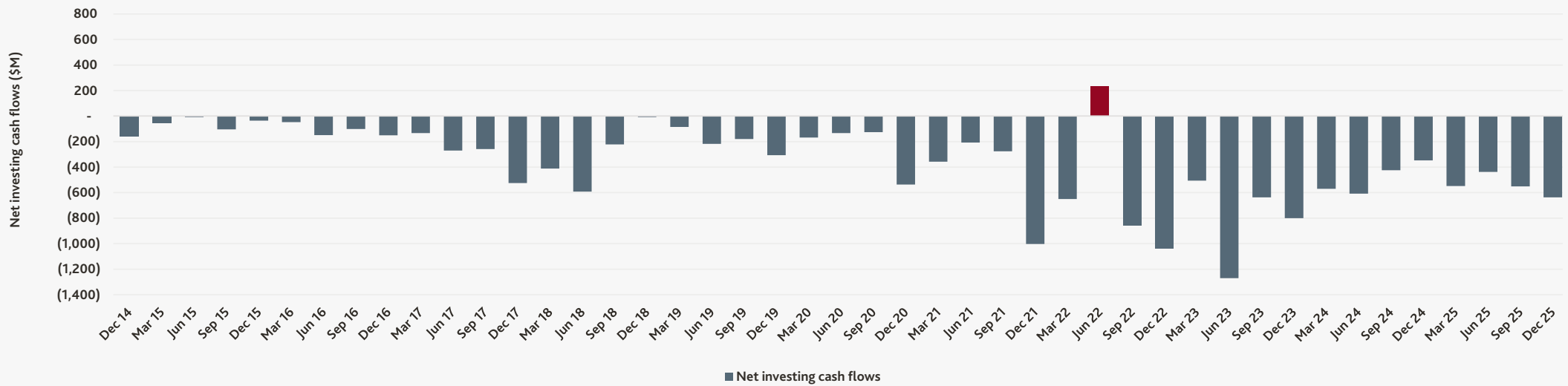
Black Cat was the third largest net investor with \$59.19 million of net investing outflows in the December quarter, up from \$15.78 million in the September quarter. Black Cat's net investment cash outflows have been driven by the completion of the final deferred payment for the Lakewood processing plant and the ongoing mine commencement and ramp up initiatives.

European Lithium recorded the strongest net investment cash inflows for the December quarter, totalling \$110.60 million, largely driven by the sell down of its position in Critical Metals Corp, which generated \$184.60 million in gross proceeds. Lithium Energy reported net investment cash inflows of \$32.39 million, almost entirely attributable to the cash received from the completion

of the second tranche of the Solaroz Lithium Project sale. Aurum Resources Limited also delivered net investment cash flows, recording \$22.67 million in net inflows, underpinned by \$22.98 million in proceeds from the sale of shares in Montage Gold Corporation. Collectively, these transactions underscore a broader trend among explorers, being the divestment of non-core assets or accessing means of liquidity to fund investment or exploration activities.

For consistency across all quarters, we note that our analysis of net investing cash flows for the December 2025 quarter excludes exploration and evaluation expenditure that is capitalised. We have instead included this under exploration expenditure.

ASX explorers' net investing cash flows (\$M)



Administration expenditure

Total administration expenditure (comprising mainly of listing fees, professional fees, director fees, and other corporate costs) rose to an all-time high in the December 2025 quarter. This increase broadly reflects predictable seasonal trends and remains in line with observed levels of growth in recent years. Total administration expenditure was \$390.36 million, up 15% from \$339.24 million in the September 2025 quarter. On a per-company basis, average expenditure increased to \$0.52 million, up from \$0.46 million in the September 2025 quarter, edging slightly above the two-year average of \$0.43 million.

The December quarter is traditionally associated with a rise in corporate costs, driven by the need for companies to prepare annual financial statements. These cyclical reporting

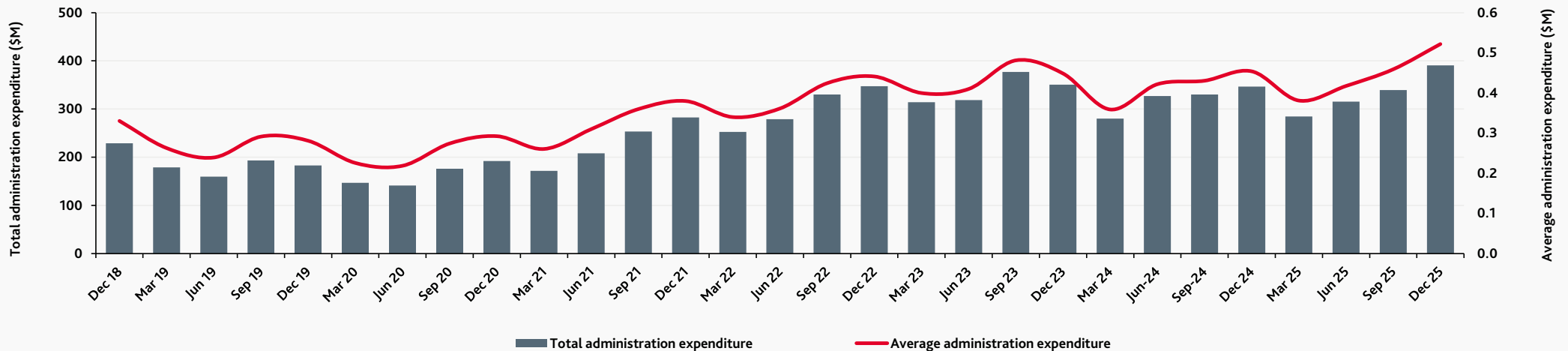
requirements typically lead to a pronounced increase in administrative activity toward the end of the calendar year.

However, this peak at \$390.36 million in December 2025 can also be attributed to other reinforcing factors. Inflationary pressures continued to elevate both input and operating costs, affecting staffing, consulting, logistics, and general overhead expenses. Strong financing and capital raising activity throughout the year also contributed to higher corporate and compliance costs, as companies engaged additional legal, financial, and governance resources to support capital raises and transactions. At the same time, elevated exploration activity across the sector generated additional administrative load,

with increased project planning, permitting, management, and stakeholder engagement requirements.

Importantly, this peak should not be interpreted as evidence of a deteriorating operating environment. The increase aligns with established long-term sector trends and seasonal fluctuations that routinely influence administration costs. Despite the quarter-to-quarter rise, the impact on longer-term expenditure metrics has been minimal. The two-year rolling total administration spend increased marginally, from \$327.77 million in September 2025 to \$329.26 million in December 2025, indicating that the increase is consistent with normal cyclical trends.

ASX explorers' administration expenditure (\$M)



December 2025 quarter cash position

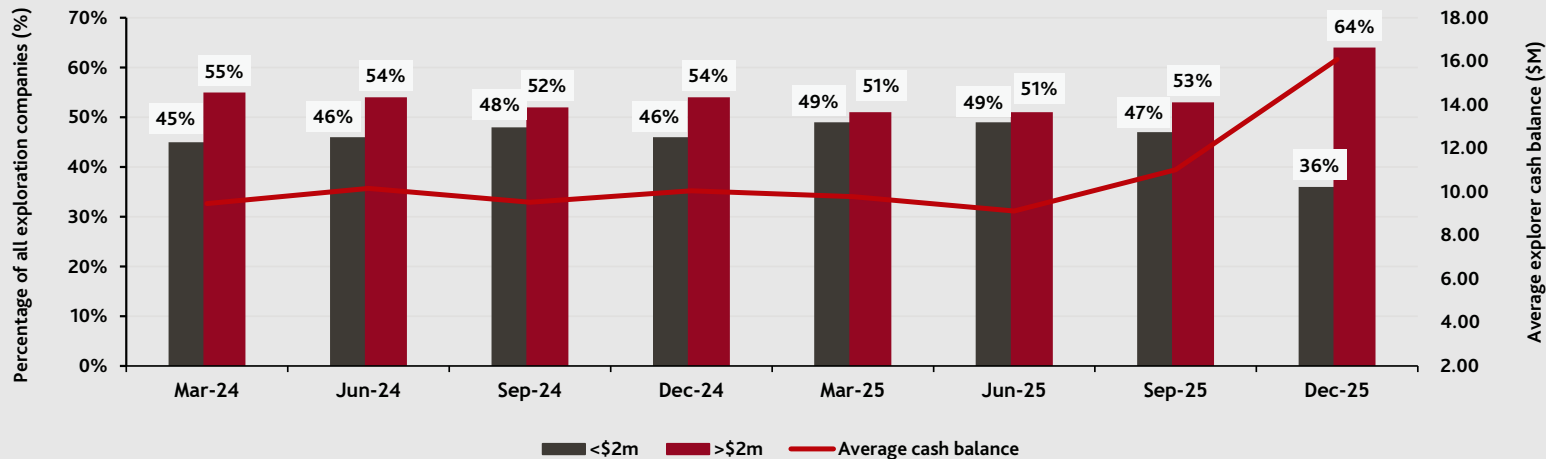
ASX-listed explorers reported a continued improvement in liquidity relative to the prior quarter. Stronger financing inflows in the December 2025 quarter were reflected in explorers' cash positions, with the average cash balance rising 46% from \$11.02 million in the September 2025 quarter to \$16.09 million in the December 2025 quarter. This surge was largely driven by another successful capital-raising quarter following the strong performance seen in September 2025. Notably, the inflection observed this quarter indicates a meaningful shift in funding conditions, signalling a broader return to health across the exploration sector.

The proportion of companies holding more than \$2 million in cash increased to 64%, up from 54% in the September 2025 quarter, marking the highest level recorded since the June 2023 quarter. This reflects strong liquidity among mid-tier and larger explorers and improved capacity to fund exploration programs. The increase is notably higher compared with the previous three quarters of 2025. Explorers with cash balances greater than \$10 million rose to 26% of all explorers, well above the last four-quarter average of 18%. This concentration at the top end was a key driver of the higher sector average.

Explorers with the strongest cash positions this quarter were predominantly gold, copper-gold, oil & gas and lithium explorers, consistent with the capital-raising momentum observed earlier in the year. Vulcan Energy, a lithium explorer recorded the highest cash balance at the end of the period, with more than \$900 million available, on the back this quarter's fundraising activities.

The share of companies with less than \$2 million in cash declined to 36%, signalling reduced funding stress and improved prospects for project development heading into 2026. Overall, the strengthened liquidity position of companies above the \$2 million threshold suggests explorers are well-positioned heading into 2026.

ASX explorers' administration expenditure (\$M)



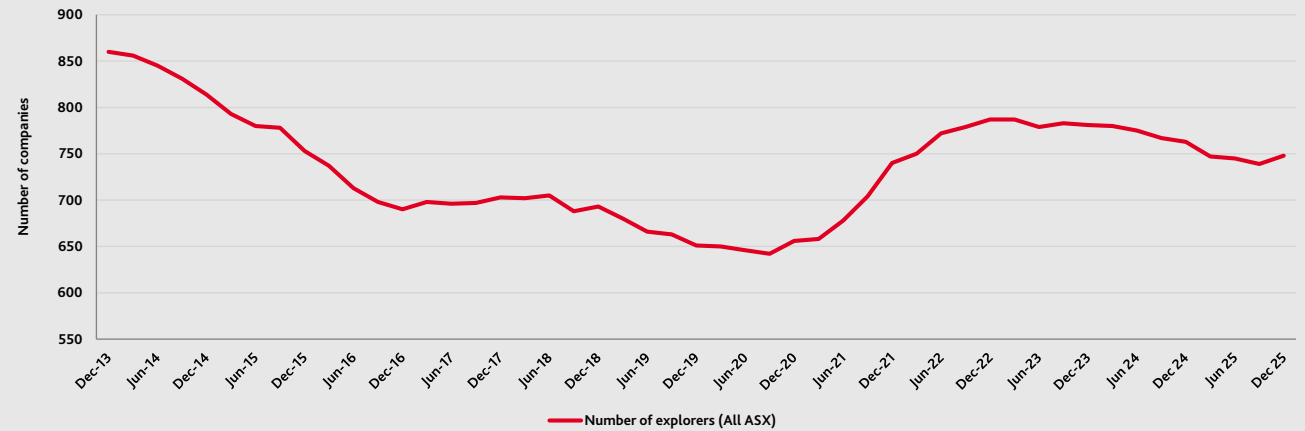
Number of companies lodging Appendix 5B reports: December 2013 – December 2025

748 exploration companies lodged Appendix 5B reports for the December 2025 quarter, a net increase of nine companies from the 739 seen in the September 2025 quarter. Over the 2025 calendar year, there was a total net increase of one company lodging an Appendix 5B, as opposed to the net decrease of the 18 companies in the 2024 calendar year.

11 exploration companies completed an IPO and lodged an Appendix 5B during the December 2025 quarter, four of which BDO acted as investigating accountant for (Black Horse Mining, BMC Minerals, Desert Minerals and Right Resources). Among the 11 newly listed companies, we note that nine were focused on gold exploration or had gold exposure, reflecting heightened investor demand for the safe-haven asset amid an uncertain geopolitical environment and all-time high gold prices.



Number of companies to lodge 5B Reports from December 2013 - December 2025



Two companies lodged an Appendix 5B for the first time this quarter, being Solis Minerals Limited and Tarrina Resources Limited, after now being required to lodge an Appendix 5B under Listing Rule 5.5 after qualifying as copper and copper-gold exploration entities, respectively.

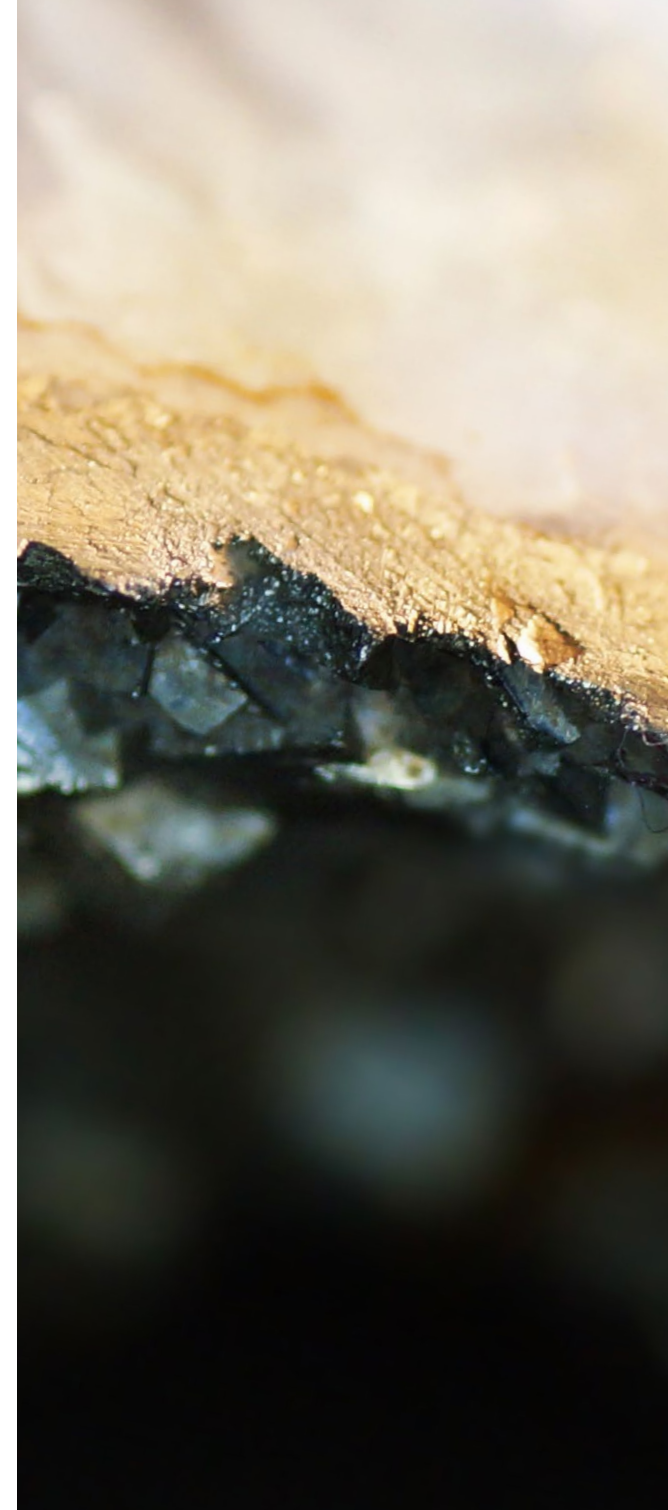
Additionally, energy transition company ChemX Materials Limited lodged an Appendix 5B for the first time after being suspended since December 2024. We also note that one company, Kula Gold Limited, lodged an Appendix 5B for the quarter but delisted shortly after following its acquisition by Forrestania Resources Limited.

The December 2025 quarter continues to reverse the downward trend observed earlier in the year, with robust investor appetite for IPOs continuing to show strength in the exploration sector. In March 2025, we observed a perceived pause in IPOs influenced by geopolitical tensions and heightened market volatility. However, this quarter's IPO activity reflects a shift in market dynamics and strengthening investor confidence in the exploration sector.

The 16 new explorers that reported an Appendix 5B during the December 2025 quarter was offset by seven companies that did not report Appendix 5Bs for the following reasons:

- ▶ Three companies were delisted as a result of being acquired, being:
 - Aurumin Limited was acquired by Brightstar Resources Limited
 - Renergen Limited was acquired by ASP Isotopes Inc., a NASDAQ-listed company
 - Warriedar Resources Limited was acquired by Capricorn.
- ▶ Three companies were delisted following suspension from trading for a continuous period of two years, pursuant to Listing Rule 17.12, being:
 - DMC Mining Limited
 - Icon Energy Limited
 - Ryzon Materials Limited.
- ▶ WA Kaolin Limited did not lodge an Appendix 5B in the December 2025 quarter and was suspended due to failure to lodge a periodic report by the due date.

We note that Voltaic Strategic Minerals Limited has now been included in this quarter's list, after previously being omitted due to an administrative error in which the company was recorded as having lodged an Appendix 4C when it had lodged an Appendix 5B.



BDO Insight – Signs of a boom emerge

The December 2025 quarter has done more than deliver records: it has validated the inflection point we identified in the September 2025 quarter. Whilst the September 2025 quarter broke the historical seasonal financing inflow pattern and signalled a potential turning point in capital availability, the December 2025 quarter has confirmed the start of an upward-looking trend. Financing inflows of \$5.63 billion, all-time high cash balances of \$12.04 billion, 103 Fund Finders, and 11 new IPOs during the quarter don't materialise by accident. They are evidence of a shift in market sentiment and confidence from both investors and explorers, as a result of a heightened demand for gold, copper, and critical minerals.

The historic rise in the gold price over 2025 was the primary engine behind both exploration activity and the change in momentum of IPOs, and there are no signs of a slowdown anytime soon. With gold prices above US\$5,000 heading into 2026, project economics for gold developers are highly compelling, and we expect this to translate into further capital availability for gold explorers and developers. The M&A consolidation we anticipated but did not fully observe in the September quarter has clearly accelerated, with the completion of Capricorn's acquisition of Warriedar Resources Limited and Brightstar Resources Limited's acquisition of Aurumin Limited during the quarter and other transactions such as those involving Robex Resources, Toro Energy, African Gold and Magnetic Resources progressing post 31 December. Based on discussions with industry participants including at 121 in Cape Town and RIU in Fremantle, M&A activity in the gold sector is expected to increase as developers and

producers aim to bolster reserves or increase processing capacity. The gold IPO pipeline heading into 2026 remains the deepest observed in around four years. Gold accounted for nine of the eleven December quarter listings, signalling renewed investor appetite and an open pathway for new entrants.

Rare earth explorers and developers were revalued during the quarter, and we believe the sector's investment outlook has shifted. China's tightening export controls on rare earth elements, alongside the US Department of Defense's focus on alternative magnet-grade supply chains both domestically and internationally, have materially reshaped global policy settings. In parallel, the EU's mandate to source 10% of critical raw materials domestically by 2030 has reinforced policy backed demand for alternative rare earth production. Together, these developments underpin a structural tailwind for alternative rare earth production and support the outlook for explorers and near-developers. Government-backed strategic investment in development projects for rare earths continued to surpass that of the previous quarter, headlined by the identification of Arafura's Nolans Project as one of the two priority projects to receive funding under a bilateral Critical Minerals Framework between Australia and the US. As the demand for critical minerals grows to keep pace with defence and technology sectors' demand for alternative rare earths, we expect similar government initiatives to emerge globally. The limited number of rare earth explorers on the ASX means that we will be watching this sector closely over 2026.



A key theme over 2025 has been the strength of copper explorers, and we see no downward pressure in the near-term. A structural supply deficit, driven by infrastructure investment to support energy demand, electric vehicles, and AI-driven data centre expansion continues to be the key source of upward pressure on demand. Against this backdrop, copper-gold explorers remain among the most capital attractive and we expect the funds raised by copper-gold Fund Finders this quarter (and over the previous quarters) to translate into meaningful exploration activity through 2026. While near-term price volatility driven by US trade policy remains a risk to monitor, the underlying fundamentals driving demand suggest copper will remain a central theme of both our financing and exploration expenditure analysis for the foreseeable future.

Lithium ends 2025 in a stronger position in our analysis than it has for the better part of two years, though smart fiscal management remains key in the current pricing environment. Vulcan Energy's landmark \$957.29 million raise, the largest by a single lithium explorer in the history of our analysis, demonstrates that at the top end of town, capital is available at scale. The broader lithium market has shown tentative signs of stabilisation, with prices moving above US\$1,000 per tonne late in the quarter for the first time in over a year, as oversupply continues to ease. We maintain a cautious but increasingly optimistic outlook for the sector, with focus concentrated on advanced developers with defined resources and commercially viable projects. Early-stage lithium explorers without these characteristics will likely continue to find the capital markets selective, although we are still likely to see interest in lithium IPOs in 2026. That said, the trough in both lithium prices and investor sentiment may now be behind us, and the first two quarters of 2026 will provide important data points on whether the recovery is broadening.

Looking ahead, the March 2026 quarter will be the first real test of whether the momentum of the second half of 2025 represents a sustained rotation of funds into the exploration industry or a concentration of high activity over a short period. Historically, the March quarter has been the weakest fundraising period and a quieter period with respect to exploration activity, though as we observed in September 2025, the historical seasonal fundraising pattern seems to be rewriting itself. The break in cyclicity, the depth of the gold and critical minerals IPO pipelines, and the strong cash position of explorers across a broad range of commodities forecasts a period of heightened exploration activity. The December 2025 quarter has made a compelling case that a period of favourable winds filling the sails of ASX explorers may be upon us, though the quarters ahead will determine how far the exploration ships will travel.



“Market engagement continues to point to strong sentiment, supporting expectations of a robust M&A and capital-raising environment.

While volatility and geopolitical uncertainty remain front of mind, a consistent theme is the growing importance of collaboration across the industry to address increasingly complex critical-metals supply chains”



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