

10 March 2026

# Horizon Minerals Limited (HRZ)

**BUY**

**Share Price: A\$1.04**

## Black Swan ready to fly

**Target Price:**

**A\$2.14**

A robust Black Swan Project (BSP) Scoping Study (pre-tax NPV<sub>8</sub> A\$631m & IRR 83% at a conservative A\$5,500/oz Au) sets HRZ on the pathway to becoming a significant near-term producer in WA's Tier-1 Kalgoorlie region (Fig. 1). The A\$161m pre-production capex (incl. A\$101m for a refurbished/repurposed 2.2Mtpa Black Swan Mill) is fully funded, long-lead items have been ordered & FEED studies are close to completion, with the subsequent awarding of the EPC contract. HRZ is targeting plant commissioning and first production in Jun. Q'27 (Fig. 2). We see significant upside potential to the Scoping Study's mine plan. An aggressive resource definition drilling program across key deposits (particularly at Burbanks u/g), and potential strategic regional acquisitions or JVs, will inform an optimised development schedule by end 2026. Debottlenecking could also see the plant run above nameplate 2.2Mtpa. **BUY**, TP revised to A\$2.14/sh (prev. A\$2.70/sh) on updated prod'n/cost profiles and equity dilution. Spot TP A\$3.38.

### Scoping Study outcomes

- Inventory of 11.2Mt @ 1.63g/t Au for 590koz, processed via a repurposed 2.2Mt Black Swan Mill for 5.25-year LOM gold production of 546koz (average 102kozpa) at LOM average AISC of A\$3,353/oz. 92% of the ore source is from open pits, with the cornerstone Boorara and Burbanks o/p's contributing 52% (Figs. 3-5).
- Pre-production capex of A\$161m incl. A\$101m plant refurbishment capex. Brownfield development allows HRZ to enjoy peer beating capital intensity (Fig. 7).

### Impact on Petra forecasts

- We had forecast 5yr LOM production of 507koz @ AISC of A\$2,722/oz; pre-production capex A\$150m.
- Guided by the Scoping Study, we have refined our forecast capex, production and cost profiles (Fig. 8).
- Net impact is Black Swan NPV<sub>8</sub> trimmed to A\$558m (prev. A\$588m) largely on higher than forecast AISC.

### Identified upside potential

- Increased mine life and production via Resource conversion (Fig. 9). The Scoping Study inventory of 11.2Mt is (only) 33% of the total MRE of 34.3Mt.
- Exploration upside close to Black Swan Mill (Fig. 10).
- A new 2.2Mtpa gold processing mill has potential to unlock stranded gold resources in the region (Fig. 11).

### Key Dates Ahead

- Jun. Q'26 – FEED completion and EPC contract.
- Sep. Q'26 – Start of Black Swan construction.
- Dec. Q'26 – Updated / optimised mine plan.

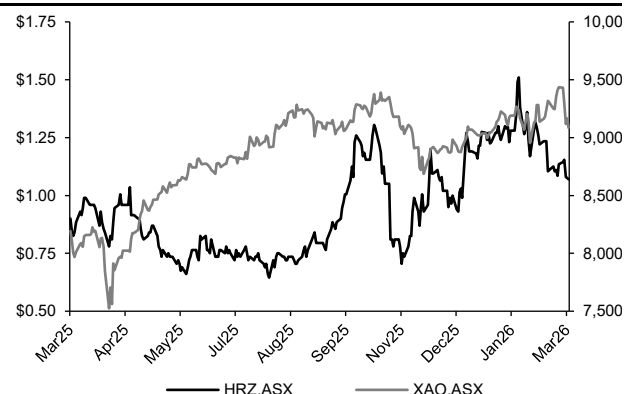
### Company Data

|                                |                 |
|--------------------------------|-----------------|
| Shares – ordinary (M)          | 256.4           |
| Rights/options (M)             | 4.4             |
| Diluted for rights/options (M) | 261             |
| Market capitalisation (\$M)    | 262             |
| 12 month low/high (\$)         | 0.64/ 1.56      |
| Average monthly turnover (\$M) | 25.3            |
| GICS Industry                  | Metals & Mining |

### Financial Summary (fully diluted/normalised)

| Year End June          | FY26F | FY27F | FY28F  | FY29F  | FY30F  |
|------------------------|-------|-------|--------|--------|--------|
| Revenue (\$M)          | 57.8  | 27.0  | 525.9  | 566.4  | 654.6  |
| Costs (\$M)            | -65.1 | -53.1 | -342.4 | -312.6 | -316.6 |
| EBITDA (\$M)           | -7.3  | -26.1 | 183.5  | 253.8  | 338.0  |
| NPAT (\$M)             | 1.4   | -24.7 | 169.8  | 163.8  | 225.9  |
| EPS (¢ps)              | 0.5   | -6.6  | 45.1   | 43.5   | 59.9   |
| EPS growth (%)         | na    | na    | >100%  | -4%    | 38%    |
| PER (x)                | 196.3 | na    | 2.3    | 2.3    | 1.7    |
| Op. Cashflow (\$M)     | -12.7 | -24.8 | 163.5  | 182.0  | 237.7  |
| OCFPS (¢ps)            | -4.7  | -6.6  | 43.4   | 48.3   | 63.1   |
| POCFPS (x)             | na    | na    | 2.3    | 2.1    | 1.6    |
| Enterprise Value (\$M) | 49    | 217   | 90     | -59    | -271   |
| EV / EBITDA (x)        | na    | -8.3  | 0.5    | -0.2   | -0.8   |
| Payout ratio (%)       | na    | na    | na     | na     | na     |
| Dividends (¢ps)        | 0.0   | 0.0   | 0.0    | 0.0    | 0.0    |
| Yield (%)              | na    | na    | na     | na     | na     |
| Franking (%)           | na    | na    | na     | na     | na     |

### HRZ – performance over one year



### Disclosure and Disclaimer

This report must be read with the disclosure and disclaimer on the final page of this document. Petra Capital was sole lead manager and bookrunner for this company's placements to raise up to \$30m via 2 tranches at A\$0.043/sh on 22 May 2025, and \$175m via 2 tranches and \$10m via a SPP at A\$1.08/sh on 17 February 2026 for which fees have been received.

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## Analysis

### Horizon Minerals Limited (HRZ)

Year End June

|                                 |                                                    |
|---------------------------------|----------------------------------------------------|
| Share price (A\$)               | 1.02                                               |
| Issued Shares (m)               | 256                                                |
| Market Cap (A\$m)               | 262                                                |
| Options/Rights (m)              | 4.4                                                |
| To issue (m)                    | 120 2nd Tranche (A\$120m) of Feb'26 Placement + SP |
| Fully Diluted no. of Shares (m) | 381                                                |

| P&L Statement (A\$m)        | FY25A         | FY26F        | FY27F         | FY28F        | FY29F        | FY30F        |
|-----------------------------|---------------|--------------|---------------|--------------|--------------|--------------|
| Revenue                     | 36.9          | 57.8         | 27.0          | 525.9        | 566.4        | 654.6        |
| Costs                       | (48.8)        | (65.1)       | (53.1)        | (342.4)      | (312.6)      | (316.6)      |
| <b>EBITDA</b>               | <b>(12.0)</b> | <b>(7.3)</b> | <b>(26.1)</b> | <b>183.5</b> | <b>253.8</b> | <b>338.0</b> |
| Depreciation & Amortisation | 0.00          | (1.7)        | (5.0)         | (15.0)       | (25.0)       | (25.0)       |
| <b>Operating profit</b>     | <b>(12.0)</b> | <b>(9.0)</b> | <b>(31.1)</b> | <b>168.5</b> | <b>228.8</b> | <b>313.0</b> |
| NOI                         | (9.6)         | 10.3         | 0.0           | 0.0          | 0.0          | 0.0          |
| <b>EBIT</b>                 | <b>(22)</b>   | <b>1</b>     | <b>(31)</b>   | <b>168</b>   | <b>229</b>   | <b>313</b>   |
| Interest income             | 0.1           | 0.5          | 6.4           | 1.3          | 5.2          | 9.6          |
| Interest expense            | (2.4)         | (0.4)        | 0.0           | 0.0          | 0.0          | 0.0          |
| Tax expense*                | 0.0           | 0.0          | 0.0           | 0.0          | (70.2)       | (96.8)       |
| Minority interest/Other     | 0.0           | 0.0          | 0.0           | 0.0          | 0.0          | 0.0          |
| <b>Reported NPAT</b>        | <b>(23.8)</b> | <b>1.4</b>   | <b>(24.7)</b> | <b>169.8</b> | <b>163.8</b> | <b>225.9</b> |
| EPS Reported (A\$c)         | (22.2)        | 0.5          | (6.6)         | 45.1         | 43.5         | 59.9         |
| DPS - Declared (A\$c)       | 0.0           | 0.0          | 0.0           | 0.0          | 0.0          | 0.0          |
| Avg. no. of shares (m)**    | 107           | 271          | 377           | 377          | 377          | 377          |
| YE no. of shares (m)        | 164           | 377          | 377           | 377          | 377          | 377          |

| Cash Flow (A\$m)               | FY25A         | FY26F         | FY27F         | FY28F        | FY29F        | FY30F        |
|--------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|
| EBITDA                         | (12.0)        | (7.3)         | (26.1)        | 183.5        | 253.8        | 338.0        |
| Investment in working capital  | 1.8           | (5.4)         | 1.2           | (20.0)       | (1.6)        | (3.5)        |
| Tax expense                    | 0.0           | 0.0           | 0.0           | 0.0          | (70.2)       | (96.8)       |
| <b>Operating Cash Flow</b>     | <b>(10.2)</b> | <b>(12.7)</b> | <b>(24.8)</b> | <b>163.5</b> | <b>182.0</b> | <b>237.7</b> |
| Capex (growth)                 | (1.1)         | (20)          | (140)         | (16)         | (16)         | (16)         |
| Capex (sustaining)             | 0             | (3)           | (4)           | (17)         | (17)         | (17)         |
| Exploration                    | (5.0)         | (10)          | (5)           | (5)          | (5)          | (2.5)        |
| <b>Investing Cash Flow</b>     | <b>(6.1)</b>  | <b>(34)</b>   | <b>(150)</b>  | <b>(38)</b>  | <b>(38)</b>  | <b>(36)</b>  |
| Net interest received / (paid) | (2.3)         | 0.1           | 6.4           | 1.3          | 5.2          | 9.6          |
| Debt drawdown / (repayment)**  | (0.4)         | (7.7)         | 0.0           | 0.0          | 0.0          | 0.0          |
| Dividends paid                 | 0.0           | 0.0           | 0.0           | 0.0          | 0.0          | 0.0          |
| Equity raised / (repaid)**     | 35.6          | 210.9         | 0.0           | 0.0          | 0.0          | 0.0          |
| <b>Financing Cash Flow</b>     | <b>32.9</b>   | <b>203.3</b>  | <b>6.4</b>    | <b>1.3</b>   | <b>5.2</b>   | <b>9.6</b>   |
| Minority interest / Other      | (1.3)         | 40.3          | 0.0           | 0.0          | 0.0          | 0.0          |
| <b>Inc/(Dec) in Cash</b>       | <b>11.4</b>   | <b>197.3</b>  | <b>(168)</b>  | <b>126.9</b> | <b>149.2</b> | <b>211.8</b> |

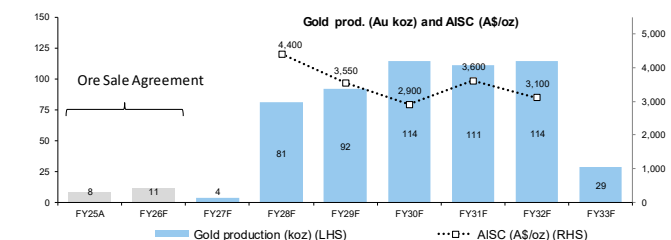
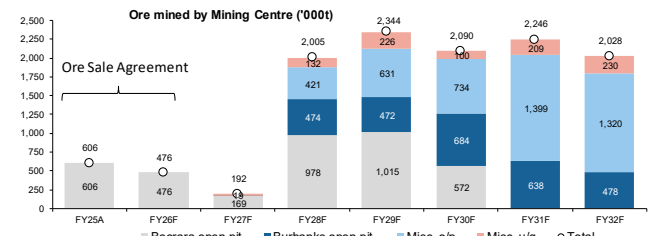
| Balance Sheet (A\$m)                | FY25A      | FY26F      | FY27F      | FY28F      | FY29F      | FY30F        |
|-------------------------------------|------------|------------|------------|------------|------------|--------------|
| Cash & Equivalents                  | 15.7       | 213.0      | 44.9       | 172        | 321        | 533          |
| Receivables                         | 3.0        | 2.3        | 1.1        | 21.0       | 22.7       | 26.2         |
| Inventories                         | 14.0       | 4.6        | 2.2        | 42.1       | 45.3       | 52.4         |
| Other Current Assets                | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0          |
| PPE and Explo/Dev.                  | 162        | 194        | 339        | 362        | 375        | 385          |
| Deferred tax asset                  | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0          |
| Other Non Current Assets            | 3.8        | 3.8        | 3.8        | 3.8        | 3.8        | 3.8          |
| <b>Total Assets</b>                 | <b>199</b> | <b>418</b> | <b>391</b> | <b>601</b> | <b>768</b> | <b>1,000</b> |
| Payables and other CL               | 20.7       | 5.2        | 2.7        | 42.6       | 45.9       | 52.9         |
| Short Term Debt                     | 7.7        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0          |
| Long Term Debt                      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0          |
| Other Non Current Liabilities       | 82.5       | 112.5      | 112.5      | 112.5      | 112.5      | 112.5        |
| Non-controlling interest (NCI)      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0          |
| Total Liabilities incl NCI          | 110.9      | 117.7      | 115.2      | 155.1      | 158.4      | 165.4        |
| Equity                              | 88         | 300        | 276        | 445        | 609        | 835          |
| <b>Total Liabilities and Equity</b> | <b>199</b> | <b>418</b> | <b>391</b> | <b>601</b> | <b>768</b> | <b>1,000</b> |

| Ratios         | FY25A | FY26F | FY27F | FY28F | FY29F  | FY30F  |
|----------------|-------|-------|-------|-------|--------|--------|
| P/E (x)        | na    | 196.3 | na    | 2.3   | 2.3    | 1.7    |
| Debt/Equity    | 8.8%  | 0.0%  | 0.0%  | 0.0%  | 0.0%   | 0.0%   |
| Price/Book (x) | -21.2 | -6.7  | 0.9   | 0.6   | 0.4    | 0.3    |
| EV/EBITDA (x)  | -21.2 | -6.7  | -8.3  | 0.5   | -ve EV | -ve EV |

| Commodity prices & FX         | FY25A       | FY26F       | FY27F       | FY28F       | FY29F       | FY30F       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gold price (US\$/oz)          | 2,820       | 4,275       | 4,625       | 4,375       | 4,125       | 3,875       |
| AUD:USD                       | 0.65        | 0.66        | 0.67        | 0.67        | 0.67        | 0.68        |
| Gold price (A\$/oz)           | 4,363       | 6,444       | 6,903       | 6,530       | 6,157       | 5,742       |
| ARP (A\$/oz) assumed unhedged | 4,363       | 6,444       | 6,903       | 6,530       | 6,157       | 5,742       |
| <b>Ore Mined (Mt)</b>         | <b>0.61</b> | <b>0.48</b> | <b>0.19</b> | <b>2.01</b> | <b>2.34</b> | <b>2.09</b> |
| Boorara open pit              | 0.61        | 0.48        | 0.17        | 0.98        | 1.02        | 0.57        |
| Burbanks open pit             | -           | -           | 0.00        | 0.47        | 0.47        | 0.68        |
| Misc. o/p                     | -           | -           | -           | 0.42        | 0.63        | 0.73        |
| Misc. u/g                     | -           | -           | 0.02        | 0.13        | 0.23        | 0.10        |
| <b>Mined Grade (g/t Au)</b>   | <b>0.93</b> | <b>1.08</b> | <b>1.47</b> | <b>1.47</b> | <b>1.46</b> | <b>1.82</b> |
| Boorara open pit              | 0.93        | 1.08        | 1.13        | 1.13        | 1.13        | 1.13        |
| Burbanks open pit             | -           | -           | 1.55        | 1.44        | 1.44        | 2.00        |
| Misc. o/p                     | -           | -           | -           | 1.35        | 1.20        | 2.00        |
| Misc. u/g                     | -           | -           | 4.50        | 4.50        | 3.72        | 3.23        |
| <b>Ore Processed (Mt)</b>     |             |             | <b>0.09</b> | <b>1.75</b> | <b>2.20</b> | <b>2.20</b> |
| Head grade (g/t au)           |             |             | 1.47        | 1.56        | 1.41        | 1.74        |
| Recovery (%)                  |             |             | 93%         | 93%         | 93%         | 93%         |
| Gold production (koz Au)      | 8.1         | 11.2        | 4.0         | 81.0        | 92.0        | 114.0       |
| <b>AISC (A\$/oz)</b>          | na          | na          | na          | 4,400       | 3,550       | 2,900       |

| Mineral Resource                   | Mt                                  | g/t Au      | Moz Au      | Moz Aueq (100%) |
|------------------------------------|-------------------------------------|-------------|-------------|-----------------|
| <b>Gold</b>                        | <b>34.3</b>                         | <b>1.70</b> | <b>1.88</b> | <b>1.88</b>     |
| Gold (ex orig. POS)                | 6.0                                 | 0.84        | 0.16        | 0.16            |
| Nimbus Ag-Zn Project               | 12Mt @ 0.2g/t Au, 52g/t Ag, 0.9% Zn |             |             | 0.48            |
| Mt Thirsty Ni-Co Project (HRZ 50%) | 66Mt @ 0.43% Ni, 0.06% Co, 0.45% Mn |             |             | 1.39            |
| Ni (ex orig. POS)                  | 39.6Mt @ 0.94% Ni for 355kt Ni      |             |             | 1.23            |

Note: Aueq resources at Nimbus, Mt Thirsty, POS Ni calculated pre-met. recovery and payability

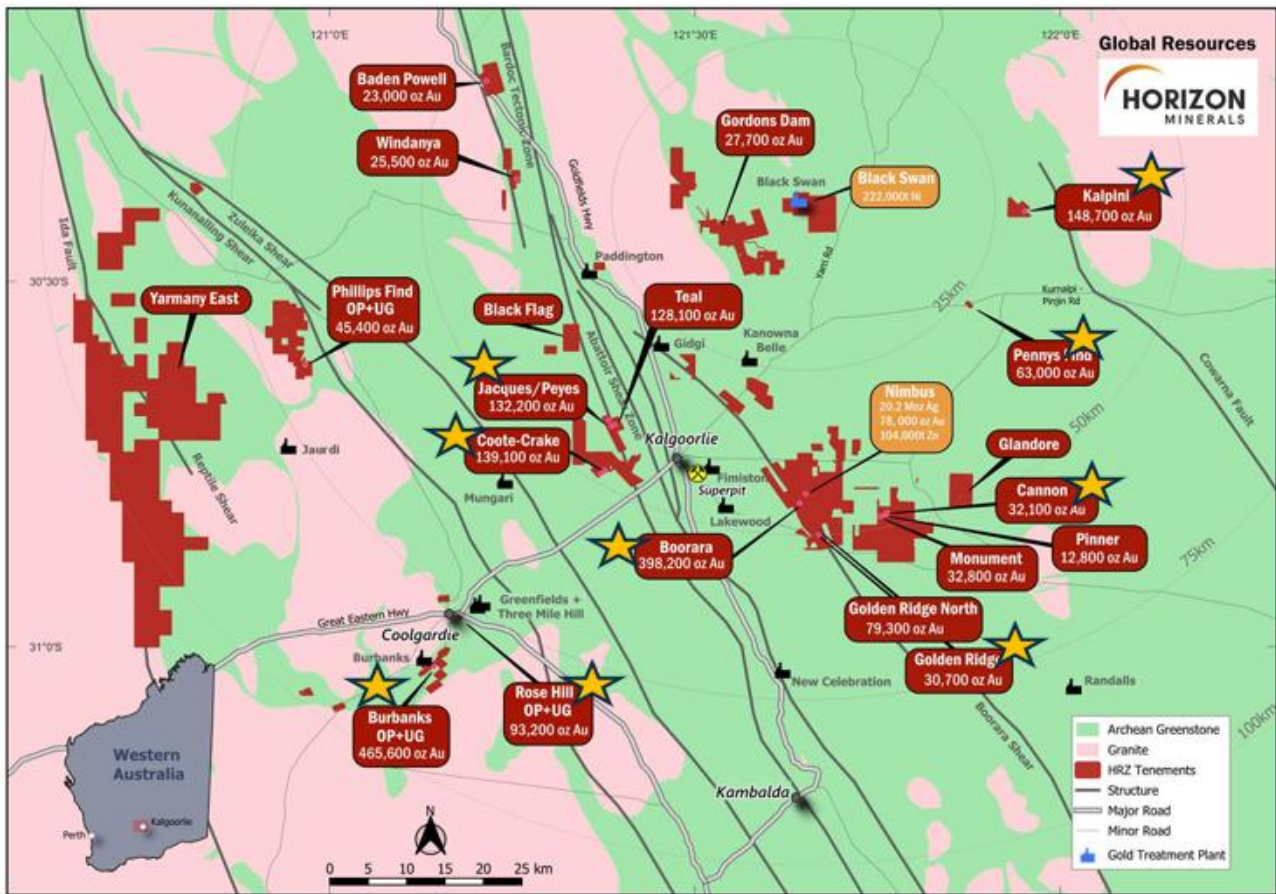


| Valuation                                                 | (A\$m)     | (A\$/sh)    |
|-----------------------------------------------------------|------------|-------------|
| Black Swan Gold Project NPV8 (0.59Moz mine inventory)     | 558        | 1.48        |
| Boorara Ore Sale Agreement                                | 0          | 0.00        |
| Residual Resource (1.29Moz @ A\$100/oz)                   | 129        | 0.34        |
| Nimbus Ag-Zn Project & Mt Thirsty Ni-Co Project (nominal) | 22.5       | 0.06        |
| Ni assets (BS/GS & Mt Windarra Ni Resources) (nominal)    | 15         | 0.04        |
| Corporate & Investments                                   | (48)       | (0.13)      |
| Enterprise value                                          | 677        | 1.80        |
| Net cash /(debt) 1H FY27F                                 | 129        | 0.34        |
| <b>Equity value</b>                                       | <b>806</b> | <b>2.14</b> |

Note: \* Assumed 0% corporate tax until FY29F on forward tax losses. \*\* Incorporated A\$185m from Feb.'26 Placement & SPP at A\$1.08/sh in FY26F. Zero debt funding.

Source: Petra Capital

**Figure 1: Location map of HRZ's Black Swan mill and Resource locations in the Kalgoorlie/Coolgardie region, WA**



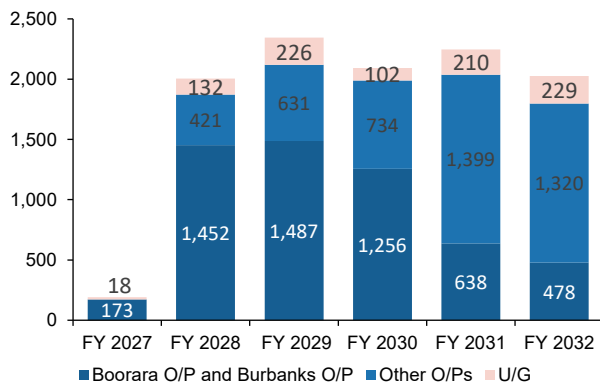
Source: Company, Petra Capital. Note: Resources included in the Scoping Study Mine Plan indicated by a gold star.

**Figure 2: Black Swan Project – key milestones and timing**

| Area                      | Work Streams and Deliverables                      | CY 2026 |    |    |    | CY 2027 |    |    |    |
|---------------------------|----------------------------------------------------|---------|----|----|----|---------|----|----|----|
|                           |                                                    | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |
| Corporate                 | Lake Johnston and Phillips Find Cash               | ✓       |    |    |    |         |    |    |    |
|                           | Equity Raise - A\$175M + SPP                       |         |    |    |    |         |    |    |    |
| Development & Growth      | Burbanks MRE Update                                |         |    |    |    |         |    |    |    |
|                           | Resource Extension & Grade Control drilling        | ✓       |    |    |    |         |    |    |    |
| Mining & Operations       | Boorara and Phillips Find Mining & Ore Stockpiling | ✓       |    |    |    |         |    |    |    |
|                           | Underground Mobilisation & Development             |         |    |    |    |         |    |    |    |
| Black Swan Processing Hub | Underground High-Grade Ore Production              |         |    |    |    |         |    |    |    |
|                           | Black Swan Plant 2.2Mtpa Studies Complete          | ✓       |    |    |    |         |    |    |    |
|                           | Front End Engineering Design (FEED)                |         |    |    |    |         |    |    |    |
|                           | Final Investment Decision (FID)                    |         |    |    |    |         |    |    |    |
|                           | Black Swan Accommodation Construction              |         |    |    |    |         |    |    |    |
|                           | Black Swan Plant Construction                      |         |    |    |    |         |    |    |    |
|                           | Black Swan Plant Commissioning                     |         |    |    |    |         |    |    |    |
|                           | Black Swan Plant Gold Production                   |         |    |    |    |         |    |    |    |

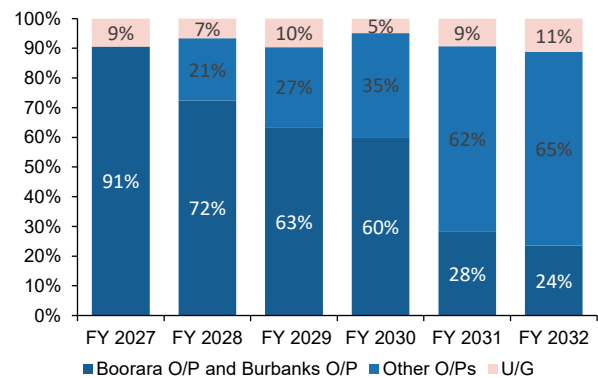
Source: Company

**Figure 3: Mining schedule by O/P and U/G ore ('000t)**



Source: Company, compiled by Petra Capital

**Figure 4: O/P and U/G contribution (%)**



Source: Company, compiled by Petra Capital

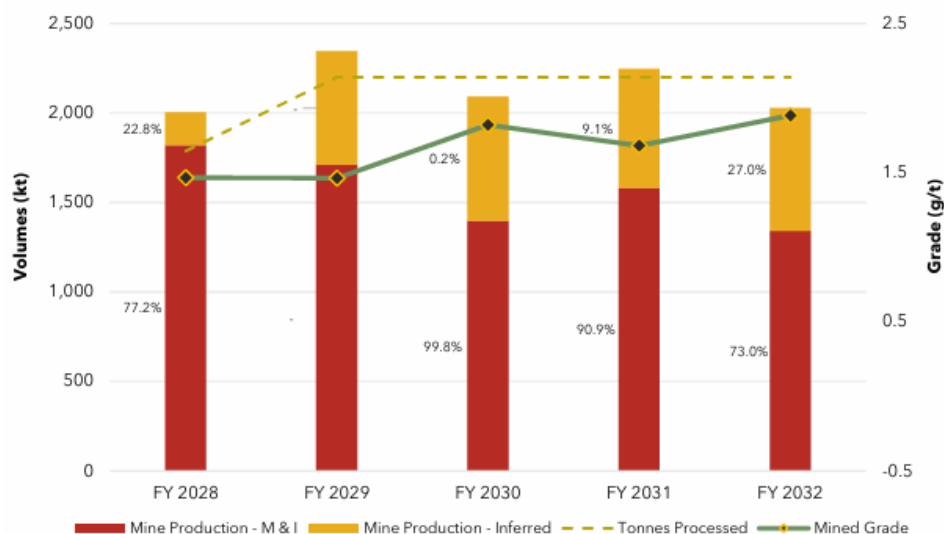
**Figure 5: Mining Schedule by Mine Source**

| FY Mining Schedule by Mine | Unit      | Total         | FY 2027    | FY 2028      | FY 2029      | FY 2030      | FY 2031      | FY 2032      |
|----------------------------|-----------|---------------|------------|--------------|--------------|--------------|--------------|--------------|
| Boorara OP                 | kt        | 2,734         | 169        | 978          | 1,015        | 572          | -            | -            |
| Crake OP                   | kt        | 875           | -          | 421          | 453          | -            | -            | -            |
| Cannon UG                  | kt        | 135           | 19         | 116          | -            | -            | -            | -            |
| Kalpini OP                 | kt        | 869           | -          | -            | -            | 13           | 323          | 532          |
| Pennys Find UG             | kt        | 330           | -          | 16           | 226          | 89           | -            | -            |
| Burbanks OP                | kt        | 2,751         | 4          | 474          | 472          | 684          | 638          | 478          |
| Jacques OP                 | kt        | 945           | -          | -            | 178          | 553          | 213          | -            |
| Rose Hill UG               | kt        | 450           | -          | -            | -            | 11           | 209          | 230          |
| Golden Ridge OP            | kt        | 1,264         | -          | -            | -            | 166          | 588          | 510          |
| Coote OP                   | kt        | 555           | -          | -            | -            | 2            | 275          | 278          |
| <b>Total</b>               | <b>kt</b> | <b>10,906</b> | <b>191</b> | <b>2,005</b> | <b>2,344</b> | <b>2,092</b> | <b>2,247</b> | <b>2,027</b> |

Source: Company. Note: Processing schedule of 11.2Mt includes 323kt from existing ore stockpiles at Boorara

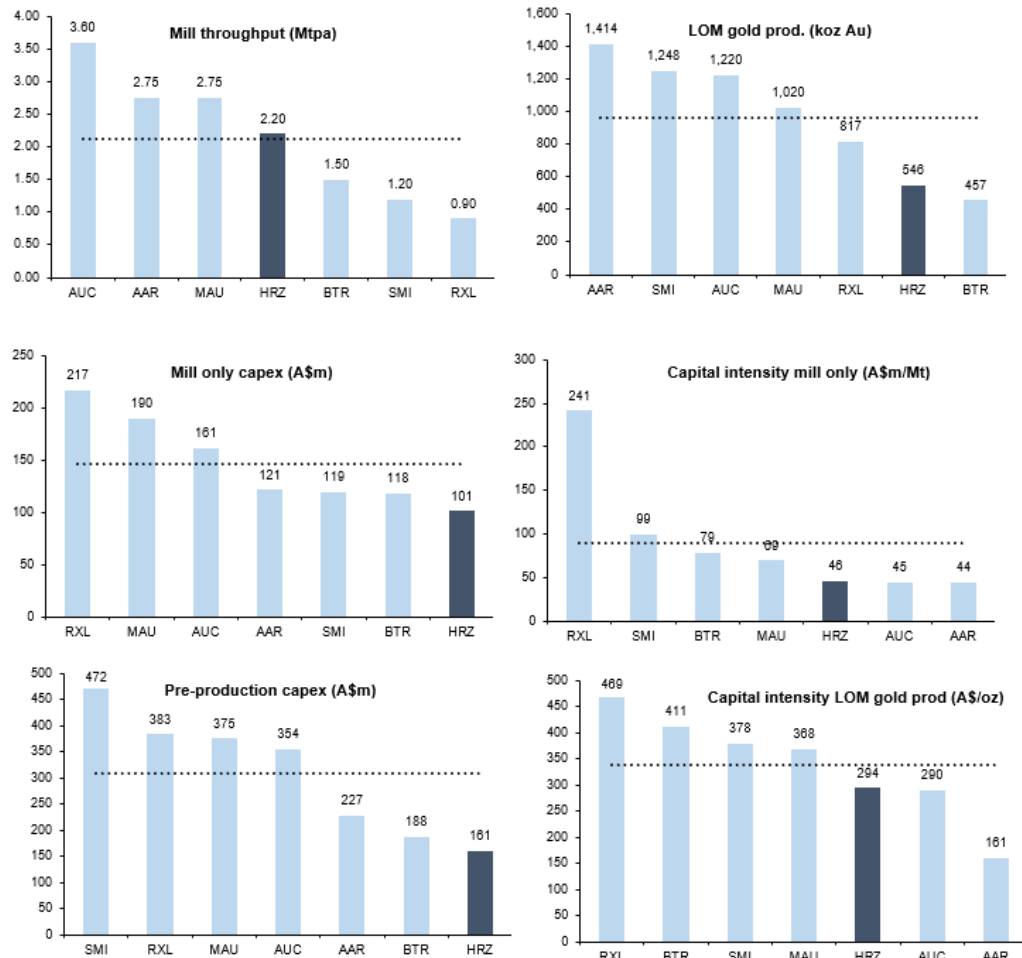
Some 74% of the LOM mine production is in the Measured and Indicated Categories with 26% in the Inferred Category (Fig. 6). Infill drilling will look to increase the M&I component prior to mining.

**Figure 6: Mining schedule by Mineral Resource Classification**



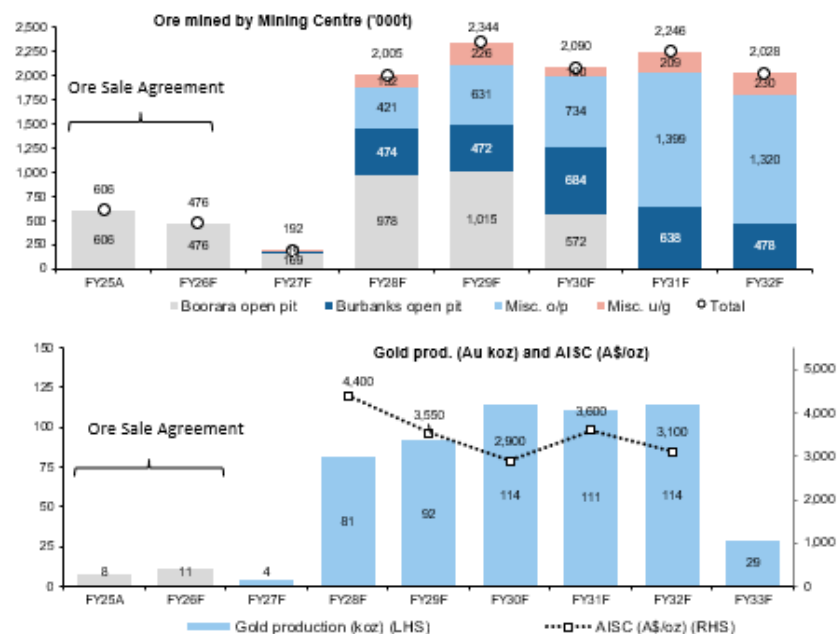
Source: Company

**Figure 7: Peer comp - capital intensity for recently announced CIL gold projects**



Source: Companies, compiled by Petra Capital

**Figure 8: Forecast ore mined by ore source (top) and production/AISC profiles (bottom)**



Source: Company, Petra Capital forecasts

Figure 9: Burbanks u/g resource - a key target for inclusion into the Scoping Study mine schedule

## Burbanks high-grade underground mine

**GROWTH**

High-grade ore source not included in the current Black Swan studies & LOM

- Located on a granted Mining Lease 9km south of Coolgardie, WA
- Historic underground mining produced **324koz @ 22.7g/t Au**
- Large 465.5koz open pit and high-grade underground Mineral Resource<sup>3</sup>
- Significant extension potential with only 30% of the upper 500m mineralised horizon tested to date<sup>1</sup>
- Results from ~30,000m drilling program include **0.96m @ 1,762g/t Au and 2m @ 235.7g/t Au<sup>2</sup>**
- Mineral Resource upgrade planned for 2026 before expected inclusion of Burbanks into the PFS & updated life of mine plan (LOM)



Burbanks Mineral Resource Estimate

| Resource Category | Cut-off | Indicated |        |        | Inferred |        |         | Total |        |         |
|-------------------|---------|-----------|--------|--------|----------|--------|---------|-------|--------|---------|
|                   |         | Mt        | Au g/t | Oz     | Mt       | Au g/t | Oz      | Mt    | Au g/t | Oz      |
| Burbanks OP       | 0.5     | 1.43      | 2.00   | 92,780 | 3.43     | 1.90   | 204,870 | 4.86  | 1.90   | 297,650 |
| Burbanks UG       | 2.5/2.0 | 0.12      | 4.30   | 16,730 | 1.07     | 4.40   | 151,190 | 1.19  | 4.40   | 167,920 |

Source: Company

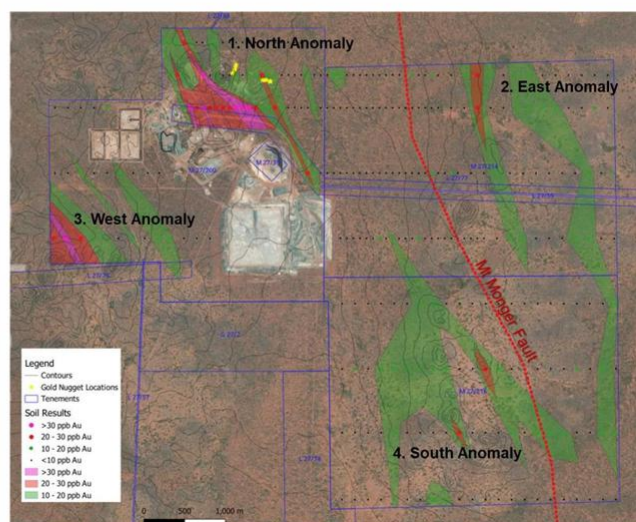
Figure 10: Ground immediately beside the Black Swan site is highly prospective for gold

## Black Swan exploration potential

**GROWTH**

Untested gold anomalies emerging adjacent to the process plant infrastructure

- Previous exploration largely targeting nickel sulphide mineralisation – **only 5% of drill assays have tested for gold**
- Target areas **adjacent to the Mt Monger fault** which is associated with **several regional gold mining operations**
- Gold prospectivity of the Black Swan area demonstrated with drill intersections grading up to **6.41g/t Au<sup>1</sup>**
- **Wide-spaced soil sampling program completed** over the entire Black Swan tenement package in August 2024<sup>1</sup>
- Numerous gold nuggets located<sup>1</sup>
- Identified a new **6.5km-long gold trend** around **Black Swan**
- The most coherent anomaly, located at Wilson's (North Anomaly), is 1.4km by 1km in size and immediately north of the existing nickel mines and associated infrastructure
- **Initial aircore 2,000m drill program** planned for H1 2026



Source: Company

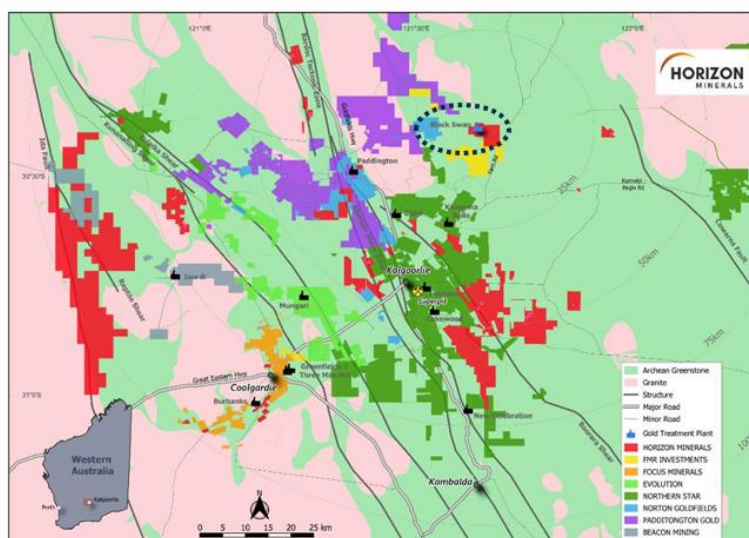
**Figure 11: A new 2.2Mtpa gold plant opens up numerous opportunities in the Kalgoorlie region**

## Platform for regional consolidation

**GROWTH**

Several deposits of gold deposits in region are without a clear processing solution

- Non-producer access to third party gold processing in the Goldfields is becoming increasingly difficult
- Conversion of a **2.2Mtpa processing facility** to gold production has potential to unlock stranded gold resources in the region
- HRZ will assess **accretive opportunities to add to mine life**:
  - **Partnership opportunities** – joint venture, toll milling, and ore purchase arrangements
  - **Acquisitions** – asset purchases or corporate transactions



Source: Company, Petra Capital. Note: Black Swan Mill location highlighted with blue circle.

## Summary of Changes

Changes to our operational forecasts and valuation include:

- Pre-production capex, post-production capex, gold production and AISC profile aligned to the Feb. 26 Black Swan Scoping Study, including a slightly later start for first production in FY27.
- Residual Resource of 1.29Moz (i.e., Resource not included in the 0.59Moz mine inventory) now valued at A\$100/oz (prev. A\$75/oz).
- Incorporation of A\$175m Placement and A\$10m SPP @ A\$1.08/sh. Previously we assumed external funding of A\$80m in new equity @ A\$1.20/sh, and A\$20m in debt.
- Net impact is a 21% fall in our TP to A\$2.14/sh (prev. A\$2.70/sh).

**Figure 12: Summary of Changes (FY26F-FY28F)**

|                     |               | FY26F       |             |             | FY27F |       |       | FY28F |       |       |
|---------------------|---------------|-------------|-------------|-------------|-------|-------|-------|-------|-------|-------|
|                     |               | New         | Old         | % var       | New   | Old   | % var | New   | Old   | % var |
| Revenue             | A\$m          | 58          | 58          | 0%          | 27    | 103   | -74%  | 526   | 400   | 32%   |
| EBITDA              | A\$m          | -7          | -7          | 0%          | -26   | 47    | -ve   | 183   | 233   | -21%  |
| EBIT                | A\$m          | 1           | 4           | -70%        | -31   | 43    | -ve   | 168   | 224   | -25%  |
| NPAT                | A\$m          | 1           | 5           | -69%        | -25   | 45    | -ve   | 170   | 223   | -24%  |
| EPS                 | A\$/sh        | 0.5         | 2.3         | -77%        | -6.6  | 18.0  | -ve   | 45.1  | 83.1  | -46%  |
| DPS                 | A\$/sh        | 0.0         | 0.0         | na          | 0.0   | 0.0   | na    | 0.0   | 0.0   | na    |
| <b>Valuation</b>    | <b>A\$m</b>   | <b>806</b>  | <b>724</b>  | <b>11%</b>  |       |       |       |       |       |       |
| <b>Price target</b> | <b>A\$/sh</b> | <b>2.14</b> | <b>2.70</b> | <b>-21%</b> |       |       |       |       |       |       |
| Gold production     | koz           | 11.2        | 11.2        | 0%          | 4.0   | 15.3  | -74%  | 81.0  | 61.2  | 32%   |
| Gold price          | US\$/oz       | 4,275       | 4,275       | 0%          | 4,625 | 4,625 | 0%    | 4,375 | 4,375 | 0%    |
| Gold price          | A\$/oz        | 6,444       | 6,444       | 0%          | 6,903 | 6,903 | 0%    | 6,530 | 6,530 | 0%    |
| AISC                | A\$/oz        | na          | na          | na          | na    | na    | na    | 4,400 | 2,773 | 59%   |

Source: Petra Capital forecasts

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