Mid-Year Prospects

Resources - Gold, Uranium & Rare Earths

This report forms part of the *J.P. Morgan Australia Mid-Year Prospects* series as we take stock at the mid-point of 2026 and set out our Top Picks and Least Preferred stocks for the remainder of the year.

Top Pick – Genesis Minerals (GMD AU, OW)

Transformational scale-up at low incremental capital. The VAU merger (completing Nov-26) roughly doubles GMD to +700kozpa. The lever is grade, not tonnes: routing ~2Mtpa of ~2.0g/t Tower Hill ore into KoTH's existing mill from 3QFY28 displaces ~0.3g/t feed, adding ~100koz by FY30 and taking the Leonora-Laverton-KoTH district to ~630kozpa. GMD gets the growth that we already modelled without the capex - FY28 was its peak capex year - and without the construction risk, which matters more if gold retraces. FY28 EPS accretion of 49% and an FCF yield stepping from ~4% to ~11% are the result of the timing benefit (see here).

Fair price paid; the value is in the re-rate. Our NAV has risen 5% to A$7.75 (see note), confirming GMD has not overpaid. But, in our view, the return sits in the re-rate: MergeCo trades on ~3.6x FY28E EV/EBITDA against a large-cap coverage average nearer ~6x, and at ~A$12bn we now comp it against that set. Non-core divestments (Sugar Zone ~A$920m, Deflector ~A$260m) add a further ~8% of NAV in cash-forward optionality. Our PT of A$7.55 offers 26% potential upside.

Execution, not approval, is the risk. Interloper risk is limited - no other party in the region can realise these synergies. The test is operational: merging two mine plans into one mill, commissioning KoTH Stage 2, and holding VAU's people and near-term production through it. Mitigating that, GMD has integrated before (St Barbara, 2023) and Finlayson moves to MD with integration as his direct focus.

Least Preferred – Boss Energy (BOE AU, UW)

Challenging risk-reward? Boss will release a New Feasibility Study (NFS) at the end of August incorporating revised life-of-mine estimates for the Honeymoon project. The lack of precedent for wider wellfield spacing and reliance on theoretical modelling (rather than real-world trials) remains a key risk in our view. We model marginal economics until end FY35 and note -43% potential downside in a bear case scenario vs +19% upside in a bull case scenario (see here).

Minimal insider ownership into key project update. Only ~A$385k ordinary equity is owned across the CEO / Board. Encouragingly, a new Chair has been appointed (Peter Botten, O&G background) but investor feedback suggests greater alignment and operational experience is required.

FY27 cost guidance risk? Boss will provide updated FY27 guidance in July. We see risk to AISC's noting current guidance (A$74-81/lb) pre-dated the Middle East conflict. While this could be offset by any mine plan changes, we note FY26 cost guidance was downgraded in April citing *"impacts of fuel-related increases passed through by reagent transport and air charter providers"*.

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GMD.AX, GMD AU
Overweight
Price (22 Jul 26): A$6.10
Price Target (Jun-27): A$7.70

BOE.AX, BOE AU
Underweight
Price (22 Jul 26): A$1.30
Price Target (Jun-27): A$0.90

See page 6 for analyst certification and important disclosures, including non-US analyst disclosures.

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Elevated short interest (~12%) remains a key risk to our downside view.

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Top Pick – Genesis Minerals (GMD AU, OW)

Investment thesis: The VAU merger scales GMD into a +700kozpa, ~A$12bn producer built around a single high-quality processing hub, and does so at low incremental capital - KoTH's existing mill replaces the Tower Hill and Laverton expansions we had previously carried. Our NAV has risen 5% to A$7.75/sh, confirming a disciplined price, yet the stock still trades on ~3.6x FY28E EV/EBITDA against a large-cap set nearer ~6x. That gap, not the deal maths, is where the return sits, with further unquantified upside from KoTH feed optimisation. Overweight, PT A$7.55.

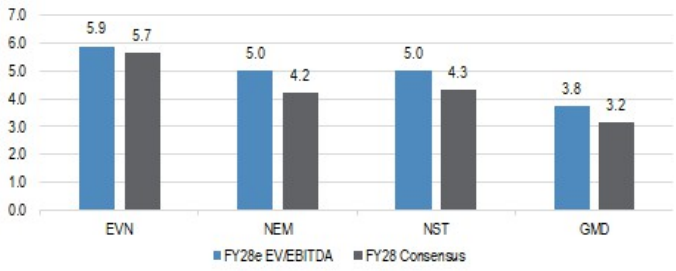
Drivers/catalysts: 1) VAU vote Sep/Oct-26 and completion Nov-26; 2) KoTH Stage 2 ball mill in DecQ26 and owner-operator transition early CY27; 3) combined strategic plan with formal guidance in JunH27; 4) non-core divestments (Sugar Zone, Deflector, potentially Mt Monger); 5) Tower Hill blend into KoTH from 3QFY28.

Figure 1: EPS accretion/dilution

EPS Accretion	FY28e	FY29e	FY30e	FY31e
EPS Pre-deal (Acps)	56	94	99	95
EPS Merge co (Acps)	84	104	100	94
Accretion/dilution (%)	49%	11%	1%	-1%

Source: J.P. Morgan estimates

Figure 2: EV/EBITDA (x)



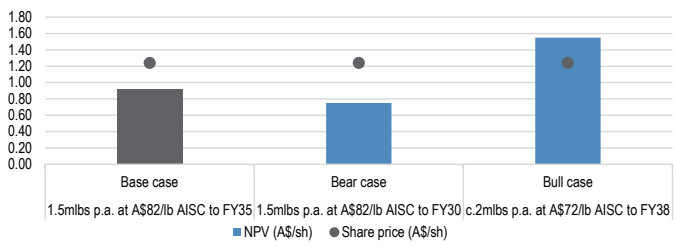
Source: J.P. Morgan estimates, Bloomberg Finance L.P.

Least Preferred – Boss Energy (BOE AU, UW)

Investment thesis: While there is the potential for management to present an attractive NFS outlook, institutional investors may need to see evidence of consistent operational delivery to trade towards a bull-case NPV. We see risk into both the July quarterly (FY27 cost guidance) and the August NFS, noting elevated valuation metrics (e.g. 1.42x P/NPV) and a challenging risk-reward. We rate Boss Underweight.

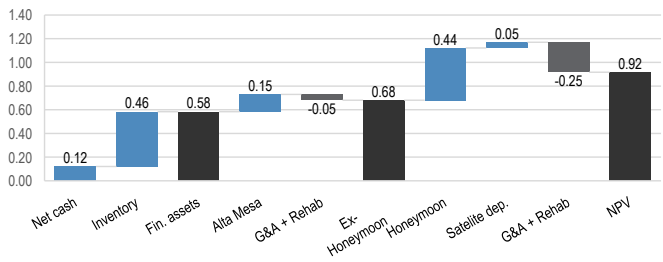
Drivers/catalysts: Updated FY27 guidance (Jul-26), Honeymoon New Feasibility Study (Aug-26) and initial wellfield data / production from HMT1 and EKT1 (first wellfields under the new design) in 2Q/3Q FY27.

Figure 3: Valuation scenarios (A$/sh)



Source: Bloomberg Finance L.P. and J.P. Morgan estimates.

Figure 4: Base case valuation bridge – A$0.68/sh of NPV is attributable to non-Honeymoon assets



Source: J.P. Morgan estimates.

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Investment Thesis, Valuation and Risks

Genesis Minerals *(Overweight; Price Target: A$7.70)*

Investment Thesis

Genesis Minerals is an Australian gold mining and development company focused on the Leonora District in Western Australia. The company has two distinct mining hubs located at Leonora and Laverton. Genesis employs both open pit and underground mining methods, with notable projects including the Gwalia underground mine, Admiral open pit, Hub open pit, and Ulysses underground mine. Genesis Minerals' ASPIRE 500 strategy aims to increase annual gold production to 500koz pa through strategic development and acquisitions, optimizing existing operations, and enhancing operational efficiencies. We are Overweight on GMD, based on valuation.

Valuation

Our Jun-27 price target is based on our DCF valuation, rounded to the nearest 10cps. We use a WACC of 7.5%.

DCF valuation	A$m	A$ps
Leonora-Laverton-KOTH	12,304	6.15
Mt Monger/Kalgoorlie	915	0.46
Deflector	260	0.13
Sugar Zone	921	0.46
Total operations	**14,400**	**7.20**
Exploration	500	0.25
Corporate, intersegment & other costs	-563	-0.28
Net cash (debt)	1,129	0.56
Total	**15,466**	**7.74**

Source: J.P. Morgan estimates.

Risks to Rating and Price Target

A key downside risk is ramp-up delays or operational issues at the Laverton asset. Other upside and downside risks include: (1) movements in commodities, currencies, production and capex relative to our forecasts; (2) changes to tax, legislation and other operating conditions; and (3) exploration outcomes.

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Investment Thesis, Valuation and Risks

Boss Energy *(Underweight; Price Target: A$0.90)*

Investment Thesis

Boss Energy (BOE AU) is an Australian-based pure-play uranium miner. The company's flagship key asset is its 100%-owned Honeymoon Uranium Project in South Australia, which returned to commercial production in January 2025 after being placed on care and maintenance in 2013 due to technical issues and low uranium prices. BOE also holds a 30% non-operational stake in the Alta Mesa uranium project in South Texas (enCore Energy 70%), which also returned to commercial production in June 2024 after being placed on care and maintenance in 2013 due to low uranium prices. We rate BOE Underweight based on valuation.

Valuation

Our Jun-27 price target is based on our NPV valuation rounded-off to the nearest 10c using a discount rate of 8.5% (10.4% cost of equity, 6% cost of debt, 30% tax rate).

JPM Boss Energy Valuation

Valuation by segment: 30 June 2027	A$m	Risk (%)	A$/sh	Roll forward			Production	
				+1 yr	+2 yrs	+3 yrs	U3O8 Mlbs	NPV US$/lb
Honeymoon (LOM 2024-2035)	184		0.4	171	156	143	15.1	8.5
Alta Mesa (30% interest)	36		0.1	30	15	0	1.4	17.9
Capitalised G&A	-99		-0.2	-99	-99	-99		
Restoration obligations	-27	80%	-0.1	-27	-27	-27		
Sub total production	**94**		**0.2**	**75**	**45**	**18**		
Risked exploration / development								
Jason's / Gould's Dam	20		0.0	20	20	20	32	0.4
Alta Mesa exploration	25		0.1	25	25	25		
Sub total exploration / development	**45**		**0.1**	**45**	**45**	**45**		
Financial assets								
Cash	50		0.1	67	93	114		
Debt	0		0.0	0	0	0		
Net inventory (at US$85/lb LT)	192		0.5	192	192	192		
Sub total financial assets	**242**		**0.6**	**259**	**285**	**306**		
Total equity value	**381**			**379**	**375**	**369**		
Ordinary shares on issues	415			415	415	415		
Value (A$/sh)	**$0.92**			**$0.91**	**$0.90**	**$0.89**		
Premium / (discount) to DCF	0.0%							
Price target	**$0.90**							
WACC - post tax	8.5%							

Source: J.P. Morgan estimates.

Risks to Rating and Price Target

Upside and downside risks include: (1) adverse movements in uranium prices relative to our forecasts; (2) the outcome on cash costs and capex; (3) any tax or royalty structure changes in Australia or the US; and (4) moves in currency.