EUROZ HARTLEYS

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RMS | +500koz pa at sub A$2,000/oz AISC, but when will the market care?

RMS.ASX | RAMELIUS RESOURCES LIMITED | MATERIALS | GOLD

PRICE	TARGET PRICE	RECOMMENDATION
A$3.18/sh	**A$4.34/sh**	**BUY**
	(FROM A$4.52/sh)	(UNCHANGED)

Miss in the short term, but a beat in the long term

RMS has released its 5 year mine plan, which can be summarised as '**a miss in the short term, based on production and capex, but a beat on the longer term production and costs' (See Figure 1** for a summary table of RMS numbers vs consensus).

Whilst the result was mixed, we believe that the market was largely positioned for a 'negative study', based on the share price weakness in the lead up, RMS is down 18% month to date, the second weakest producer on the ASX (See Figure 2). We therefore believe the 5 year plan has been priced in. Our attention now turns to: **when the market will actually care about** a company that will have amongst the lowest cost operations in Australia and growing production to 525koz at A$1,890/oz AISC in FY30?

- We understand the **consensus view would be to wait for the capex to be spent** and buy on the cashflow inflection point (between FY28-FY29). We believe buying well ahead of this usual investment tactic would be prudent. As we see **significant risk of RMS being taken over, given its current EV is just A$5.3b** for a company that on our numbers will generate post tax and capex **FCF of ~A$950m and ~A$1.6b** in FY29 and FY30.

Likely recognising the risk of a takeover in our view, the Company has flagged it will be updating its capital framework in 1H CY26. **We believe it is highly likely the Company will announce an increase on from the current 30% of FCF pay out policy and also implement a share buy back.**

Given most market participants are generally focussed on the next 12 months (if you are lucky), we think the opportunity is to move ahead of the herd, as the high quality nature of the assets is clear and risk of a takeover is real. In a time of gold price volatility, another added benefit of RMS is that you are buying a company which will some of the highest margins in the sector.

Likely missed by most, is the potential for upside beyond the company's current base case numbers which can come from: 1. Penny extensions 2. Cue UG extensions 3. Galaxy UG extensions 4. Dalgaranga UG expansion / extension (West Winds, Four Pillars, Applewood etc) 5. Roe/Rebecca bolt-ons 6. Edna May sale.

Updating our numbers

We have update our numbers which remain generally on the conservative side vs the company's numbers (See Figure 3). We now forecast FY26 production of 194koz, at an AISC of A$2,038/oz with capex of A$315m (previously we forecast 215koz at A$1,962/oz and capex of A$213m). The lift in capex was largely due to bringing forward of the Mt Magnet Mill expansion from FY27 to FY26. For the current DecQ we now forecast 48koz at AISC of A$1,920/oz (previously we forecast 53koz at an AISC of A$1,820/oz).

Action

We maintain our Buy Recommendation. We have reduce our Price Target to A$4.34/sh from A$4.52/sh, largely thanks to the lower spot gold price and model changes, with higher capex and lower production in the short term being the main drivers. Our Price Target is a now a 60⁄40 blend (previously 50⁄50) of our NAV A$2.83/sh which assumes a long term gold price of A$3,785/oz (consensus real) and Spot Valuation (A$5,980/oz) of A$5.34/sh.

Upcoming catalysts: quarterly reports and capital framework update in 1H CY26.

Analyst

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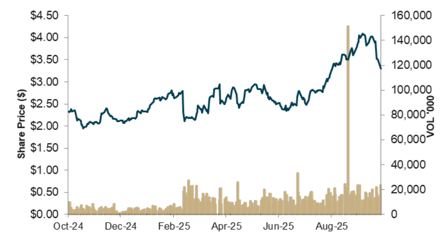
Ramelius Resources		
Share Price	**3.18**	**A$/sh**
Price Target	**4.34**	**A$/sh**
Valuation	**2.83**	**A$/sh**
SOI	1913	m
Options/Perf rights	9	m
Total Dil.	1922	m
Market Capitalisation	6112	A$m
Enterprise Value	5284	A$m
Debt	0	A$m
Cash	828	A$m

Production	2025A	2026F	2027F
Attrib. Prod'n (kt)	302	194	212
AISC (A$/oz)	1551	2014	1881

Assumptions	2025A	2026F	2027F
Gold Price US$/oz	3262	3350	3100
AUDUSD	0.63	0.66	0.68

Key Financials	2025A	2026F	2027F
Revenue (A$m)	1203	985	965
EBITDA (A$m)	817	500	543
NPAT (A$m)	474	139	134
Cashflow (A$m)	771	341	479
CFPS (Ac)	40	18	25
P/CFPS (x)	34	7	7
EV:EBITDA (x)	6.5	11.3	10.4
DPS (Ac)	8.0	5.0	5.0

Performance



Source: IRESS

MARKET STATISTICS	A$/sh		
Share Price	**3.18**		**Directors**
Issued Capital		R Vassie	NE Chair
SOI	1,913.1	S Lawson	Dep. Chair
Options/Perf rights	8.9	M Zeptner	MD
		D South…	NE Dir
Total Dil.	**1,922**	N Strelts…	NE Dir
		F Murdoch	NE Dir
Market Capitalisation	$6,112	C Moorh…	NE Dir
Enterprise Value	$5,284		
Cash	$828		**Holders**
Debt	$0	State Str…	6%

ASSET VALUATION		
	A$m	**A$/sh**
(+) Mt Magnet	1,389	0.72
(+) Rebecca / Lake Roe	347	0.18
(+) Dalgaranga	2,596	1.35
(+) Edna May	100	0.05
(-) Corporate	(59)	(0.03)
(+/-) Hedging	(68)	(0.04)
(+) Exploration	500	0.26
(+) Liabilities	(253)	(0.13)
(+) Investments (BNZ)	57	0.03
(+) Cash	828	0.43
(-) Debt	-	-
Total (at A$3,785/oz)	**5,437**	**2.83**
Price Target (60/40 Spot/NAV)	**8,337**	**4.34**
Spot A$5,980/oz	**10,270**	**5.34**

FORECAST PRODUCTION			
Yr End 30 June (A$m)	**2025A**	**2026F**	**2027F**
Mt Magnet 100%			
Throughput (Mt)	1.8	1.7	1.3
Milled grade (g/t)	4.3	3.4	3.2
Gold Production (Koz)	**245**	**175**	**128**
AISC (A$/oz)	**1,366**	**1,846**	**1,848**
Roe/Rebecca 100%			
Throughput (Mt)			
Milled grade (g/t)			
Gold Production (Koz)			
AISC (A$/oz)			
Dalgaranga 100%			
Mined (Mt)		0.20	0.60
Milled grade (g/t)		3.7	5.4
Gold Production (Koz)		**19**	**84**
AISC (A$/oz)		**3,552**	**1,930**
Group Production (Koz)	**302**	**194**	**212**
Group AISC (A$/oz)	**1,551**	**2014**	**1,881**
Assumptions			
Spot Gold Price (US$/oz)	3,262	3,350	3,100
FX Rate ass'd (A$/US$)	0.63	0.66	0.68

RATIO ANALYSIS			
Yr End 30 June (A$m)	**2025A**	**2026F**	**2027F**
Cashflow	771	341	479
Cashflow Per Share	40	18	25
Cashflow Ratio	8	18	13
Earnings	644	139	134
Earnings Per Share	34	7	7
EPS Growth	188%	-78%	-4%
P/e Ratio	9	44	45
Enterprise Value	5,328	5,679	5,637

PROFIT & LOSS			
Yr End 30 June (A$m)	**2025A**	**2026F**	**2027F**
(+) Gold revenue	1,355	985	965
(+/-) Hedging Revenue	(152)	(69)	(8)
(+) Interest Income	-	-	-
(+) Other Revenue	-	-	-
Total Revenue	**1,203**	**916**	**957**
(-) Operating Costs	345	401	400
(-) Dep/Armort	163	275	325
(-) Writeoff (expl'n)	7	7	7
(-) O/H + News Bus Dev.	21	20	20
(-) Provisions	13	13	13
EBITDA	817	500	543
EBIT	655	212	205
(-) Interest Expense	16	-	-
NPBT	671	199	192
(-) Tax	(196)	(60)	(58)
(-) Minority Interest	-	-	-
Net Profit	**474**	**139**	**134**
(+/-) Net abnormal	170	-	-
Net profit After Abnormal	**644**	**139**	**134**

CASHFLOW			
Yr End 30 June (A$m)	**2025A**	**2026F**	**2027F**
Net Profit	474	139	134
(+) WC adj.	(162)	26	-
(+) Dep/Amort	163	275	325
(+) Provisions & W/O	3	20	20
(+) Tax Expense	196	60	58
(-) Deferred Revenue	-	-	-
(-) Tax Paid	96	180	58
Operating Cashflow	**771**	**341**	**479**
(-) Capex + Dev.	133	315	260
(-) Exploration	28	100	82
(-) Asset Purchased	168	74	-
(+) Asset Sale	2	-	-
(+/-) Other	-	135	-
Investing Cashflow	**(326)**	**(624)**	**(342)**
(+) Equity Issues (rts,plc,opts)	-	-	-
(+) Loan Drawdown/receivable	-	-	-
(+) Loans from(to) other entities	-	-	-
(-) Loan Repayment	15	-	-
(-) Dividends	70	96	96
Financing Cashflow	**(85)**	**(96)**	**(96)**
Net Cashflows	**359**	**(379)**	**42**
(+/-) FX Adj.	**-**	**-**	**-**
EoP Cash Balance	**784**	**405**	**446**
EoP Net Cash	**784**	**405**	**446**

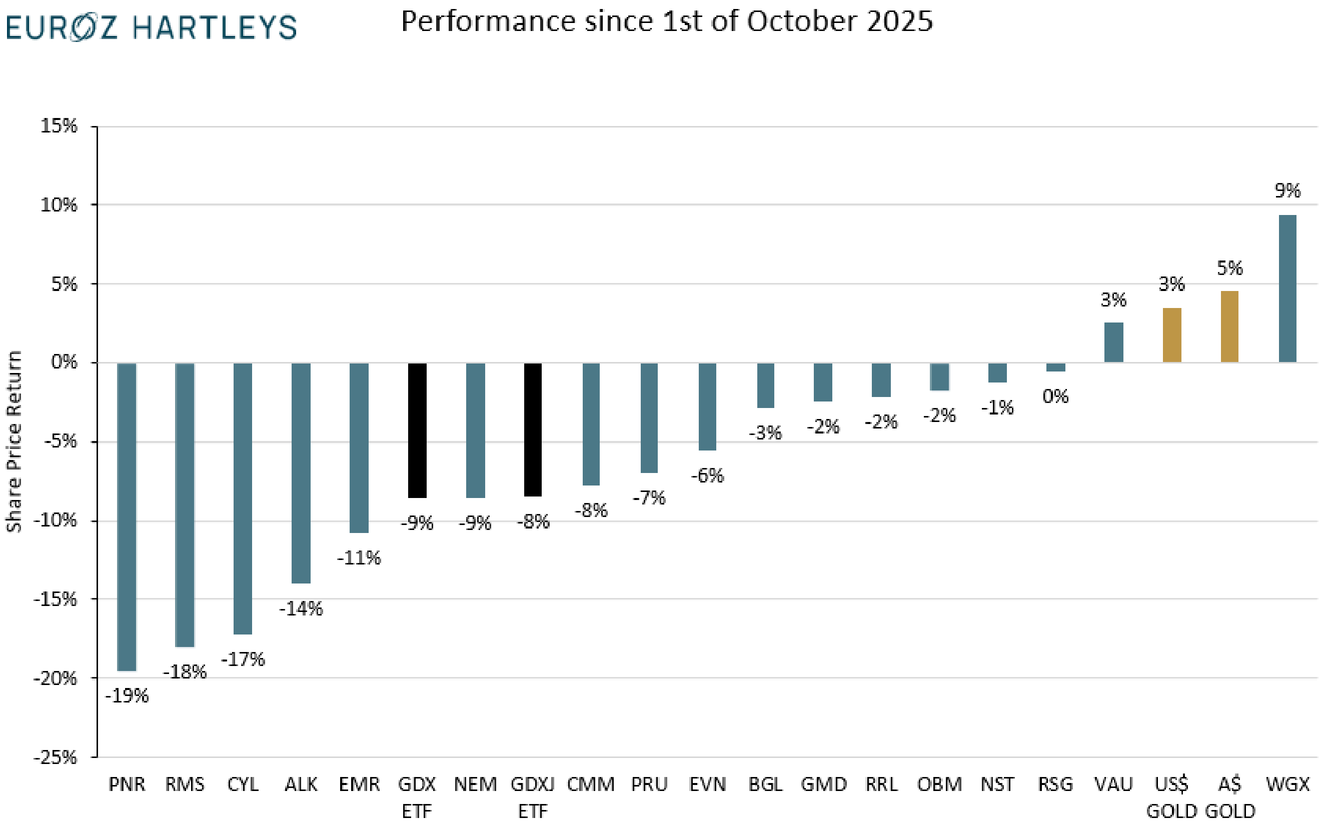
BALANCE SHEET			
Yr End 30 June (A$m)	**2025A**	**2026F**	**2027F**
Assets			
Cash	784	405	446
Current Receivables	5	5	5
Other Current Assets	88	88	88
Non-Current Assets	1,512	1,551	1,486
Total Assets	**2,389**	**2,049**	**2,026**
Borrowing(s)	-	-	-
Current Accounts payable	60	60	60
Other Liabilities	423	423	423
Total Liabilities	**484**	**484**	**484**
Net Assets	**1,905**	**1,566**	**1,542**

Figure 1: 5 Year Mine plan Production, AISC and Capex. Reported vs OLD Euroz Hartleys estimates vs Consensus

	FY26	FY27	FY28	FY29	FY30
RMS Gold Production (Koz)	**195**	**210**	**295**	**405**	**525**
OLD EHe (Koz)	215	205	365	456	507
Consensus (Koz)	210	212	337	416	477
Difference vs Consensus	-7%	-1%	-12%	-3%	10%
RMS Group AISC (A$/oz)	**1,825**	**1,855**	**1815**	**2250**	**1960**
OLD EHe (A$/oz)	1,962	1,906	2,122	2,064	1,717
Consensus (A$/oz)	1,824	1,975	2,293	2,208	2,059
Difference vs Consensus	0%	-6%	-21%	2%	-5%
RMS Group Capex (A$m)	**315**	**250**	**375**	**219**	
OLD EHe (A$m)	213	491	303	268	109
Consensus (A$m)	192	469	356	297	194
Difference vs Consensus	64%	-47%	5%	-26%	

Source: EH, RMS, Visible Alpha

Figure 2: Peers share price performance, month to date



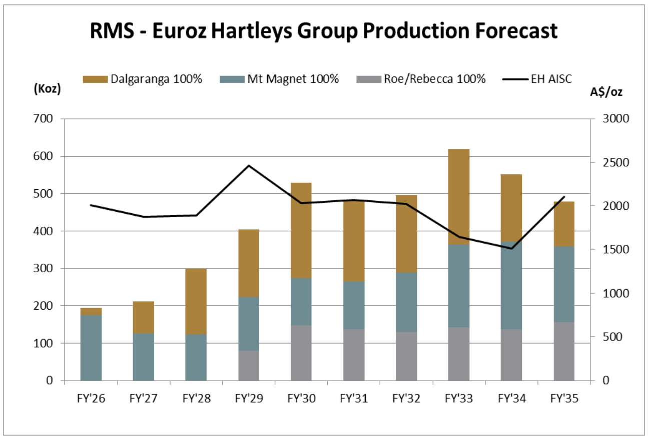
Source: Euroz Hartleys Research

Figure 3: 5 Year Mine plan Production, AISC and Capex. NEW vs OLD Euroz Hartleys estimates

	FY26	FY27	FY28	FY29	FY30
RMS Gold Production (Koz)	**195**	**210**	**295**	**405**	**525**
OLD EHe (Koz)	215	205	365	456	507
NEW EHe (Koz)	194	212	300	404	529
Difference OLD vs NEW	-10%	3%	-18%	-11%	4%
RMS Group AISC (A$/oz)	**1,825**	**1,855**	**1815**	**2250**	**1960**
OLD EHe (A$/oz)	1,962	1,906	2,122	2,064	1,717
NEW EHe (Koz)	2,014	1,881	1,889	2,467	2,034
Difference OLD vs NEW	3%	-1%	-11%	20%	18%
RMS Group Capex (A$m)	**315**	**250**	**375**	**219**	
OLD EHe (A$m)	213	491	303	268	109
NEW EHe (Koz)	315	260	385	229	93
Difference OLD vs NEW	48%	-47%	27%	-15%	-15%

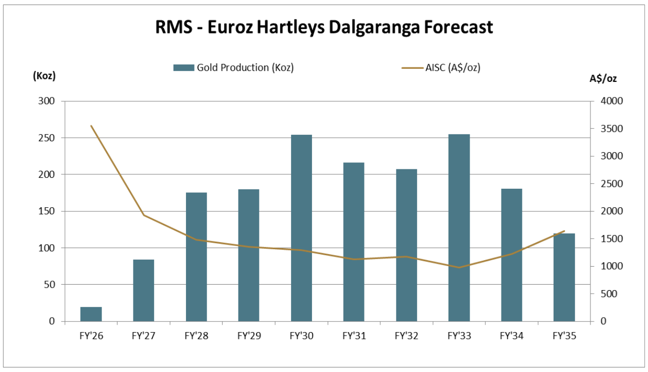
Source: Euroz Hartleys Research, RMS

Figure 4: RMS - Euroz Hartleys Group Production Forecast



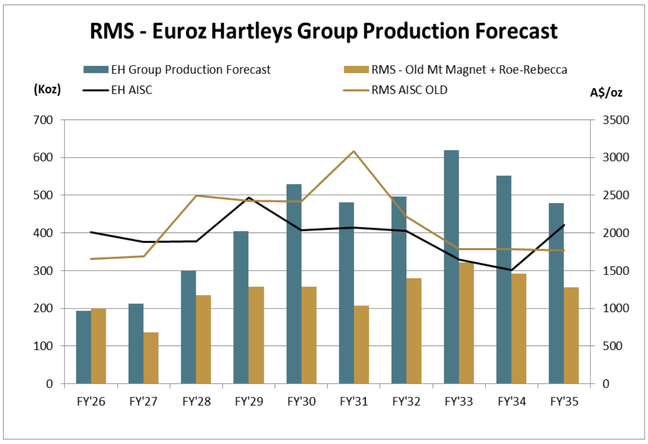
Source: EH

Figure 5: RMS - Euroz Hartleys Dalgaranga Forecast



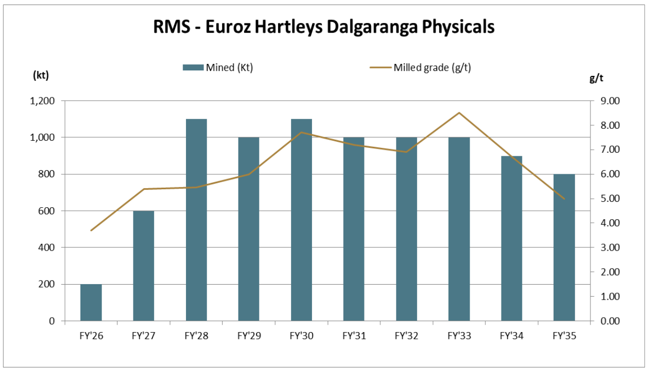
Source: EH

Figure 6: RMS - Euroz Hartleys Group Production Forecast



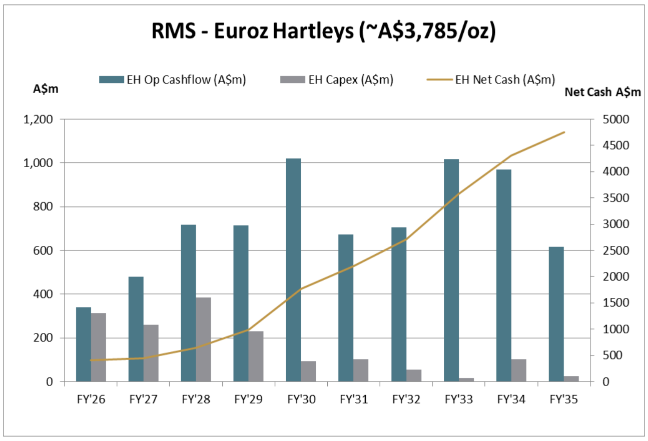
Source: EH

Figure 7: RMS - Euroz Hartleys Dalgaranga Physicals



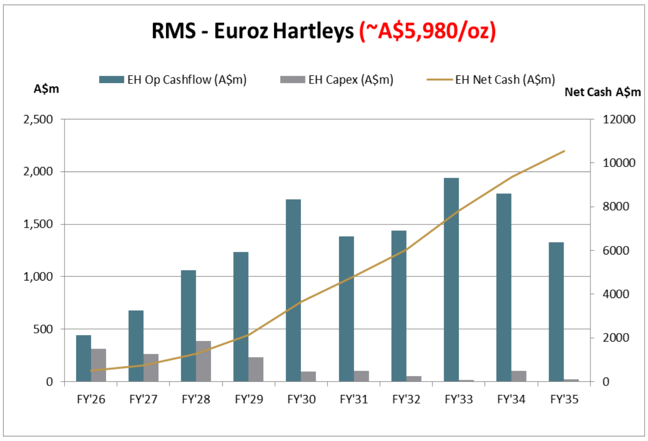
Source: EH

Figure 8: RMS - Euroz Hartleys (~A$3,785/oz LT)



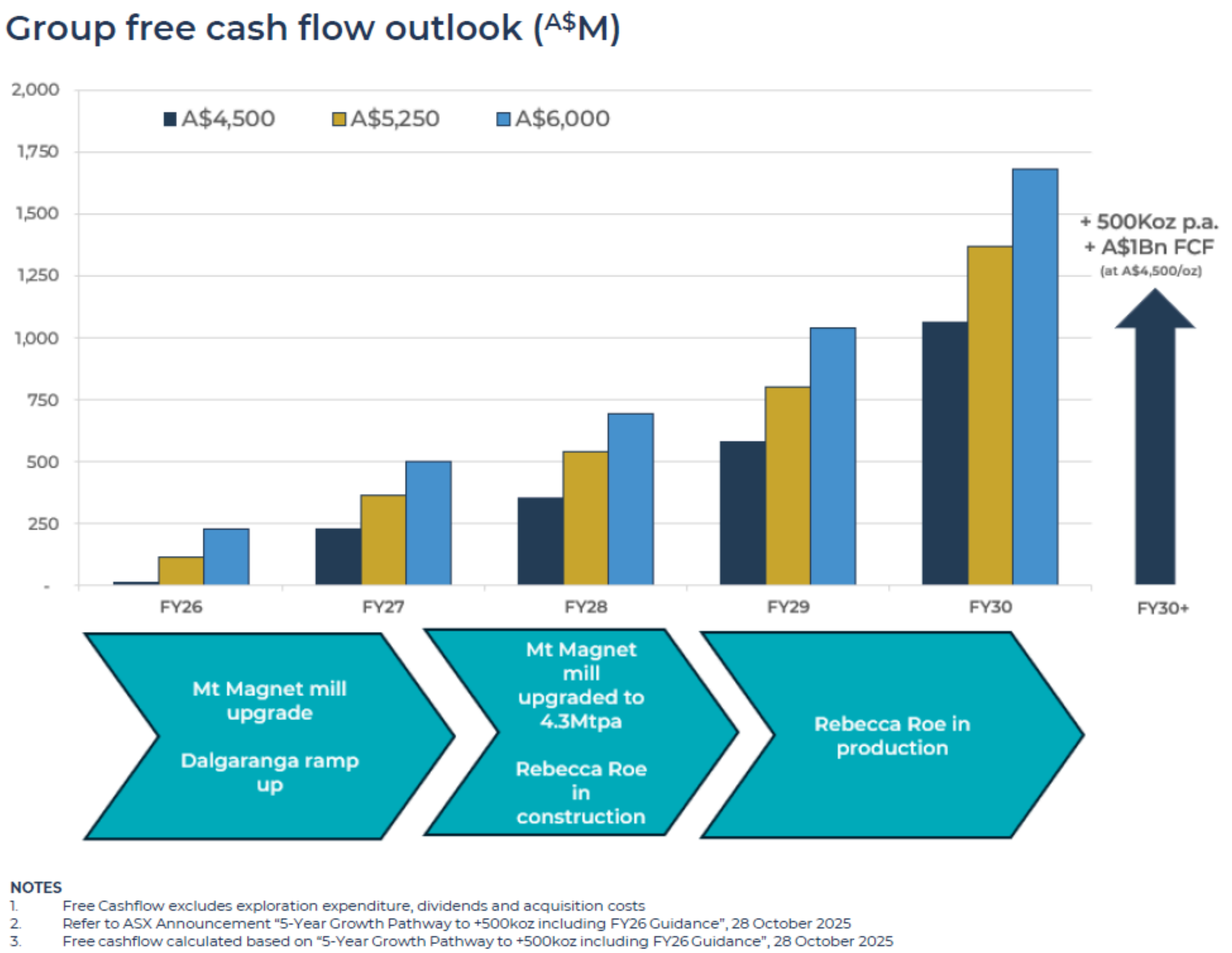
Source: EH

Figure 9: Figure 6: RMS - Euroz Hartleys (~A$5,980/oz LT)



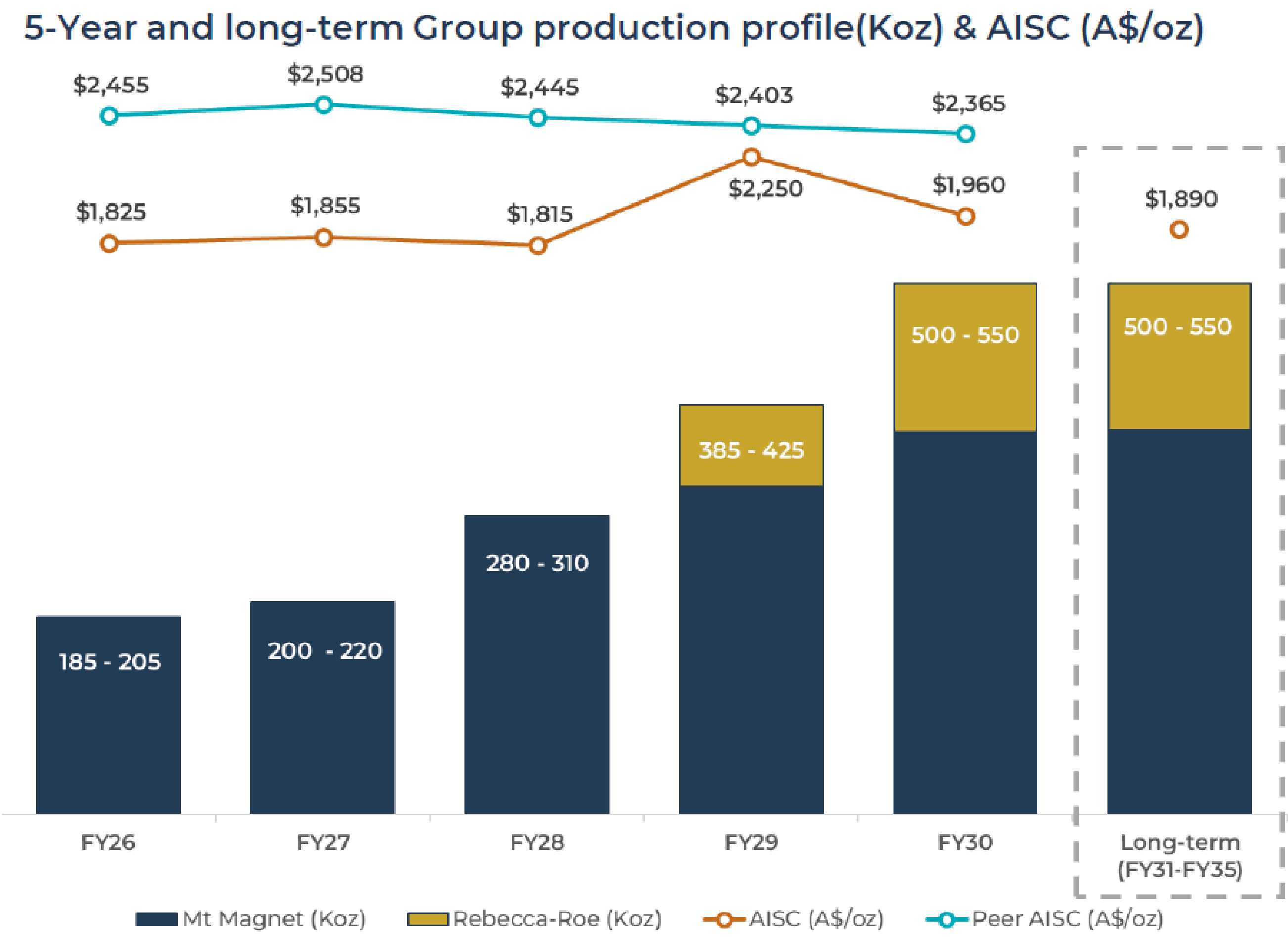
Source:

Figure 10: Free cash flow (post capex) - similar to our conservative forecasts



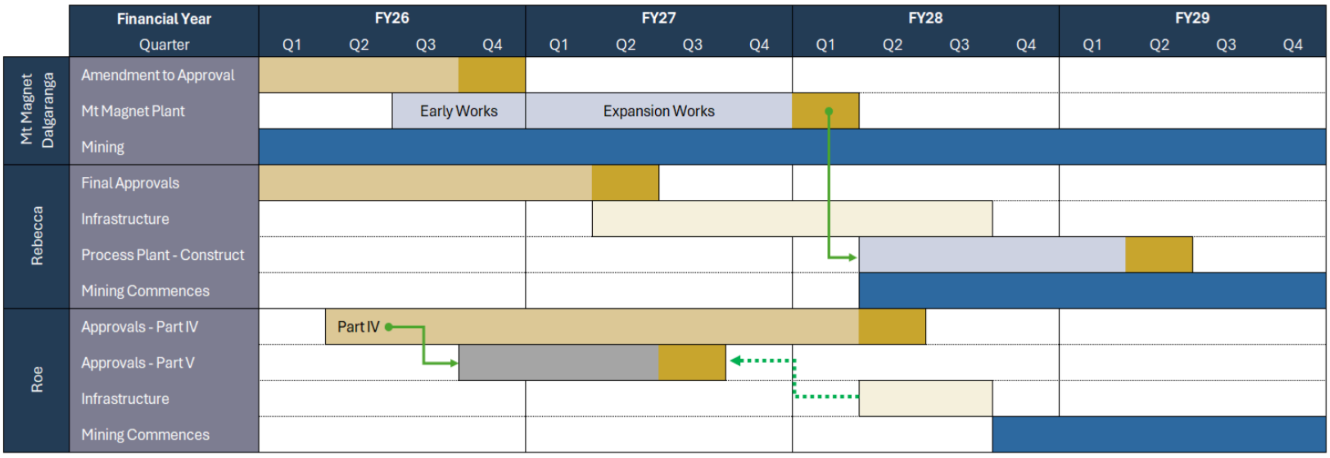
Source: RMS

Figure 11: 5-Year Outlook (base case)



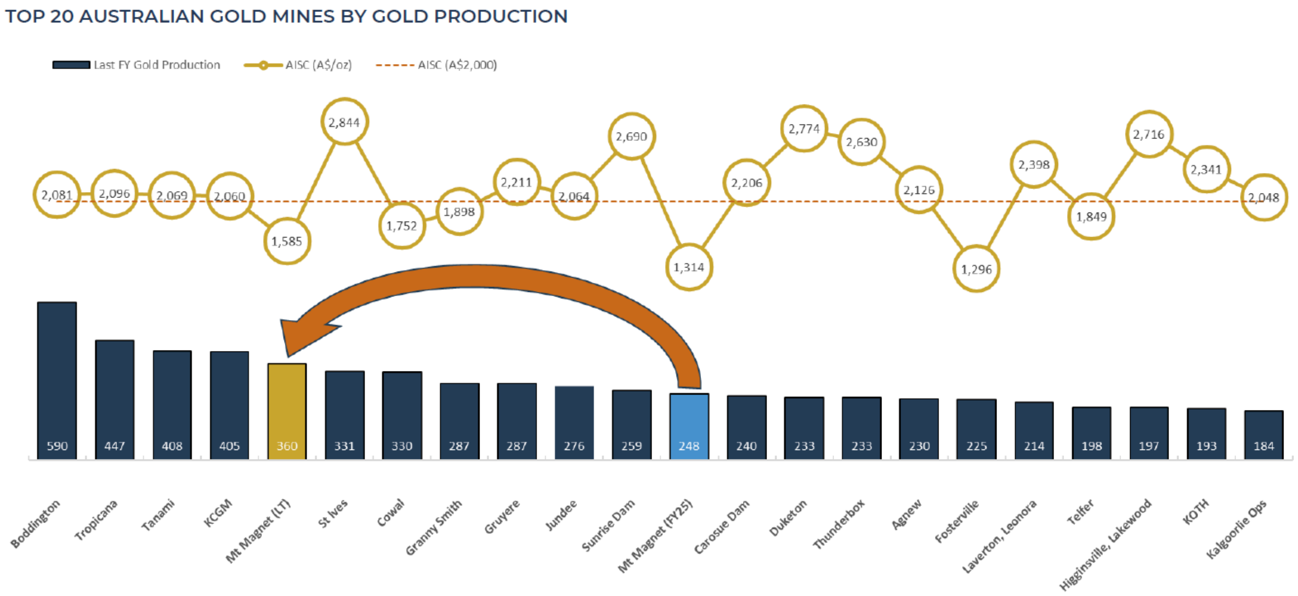
Source: RMS

Figure 12: Project timelines



Source: RMS

Figure 13: TOP 20 AUSTRALIAN GOLD MINES BY GOLD PRODUCTION



Source: RMS

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Company disclosures

The companies and securities mentioned in this report, include:

Ramelius Resources Limited (RMS.ASX) | Price A$3.18 | Target price A$4.34 | Recommendation Buy;

Price, target price and rating as at 28 October 2025 (not covered)*

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