PEAK
ASSET MANAGEMENT

LOCKSLEY RESOURCES LIMITED

ASX: LKY
OTCQB: LKYRF
Market Cap: A$55M
Sector: Mining - Critical Minerals

August 2025

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Locksley Resources Limited

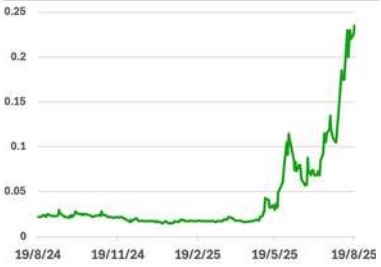
August 2025 - Desk Note

Note: This report is based on information provided by the company as at **August 20, 2025**

Market Data (A$)	
Share Price (20/08/25)	$0.225
52 Week Range (A$)	0.014 - 0.257
Market Cap (11/08/25)	$55M
EV	$49M
Cash (08/08/25)	$6M
Ordinary Shares	239,166,662
Options on Issue	34,700,000
3-Month Avg. Daily Vol.	15.83M

Board of Directors	
Nathan Lude	Non-Executive Chairman
Julian Woodcock	Technical Director
Stephen Woodham	Non-Executive Director
Bevan Tarrant	Non-Executive Director

12-Month Shareprice Performance



Top 10 Shareholders	27.59%
Vanguard Superannuation Pty Ltd	6.27%
Warbont Nominees Pty Ltd	3.81%
ING Investment Fund Pty Ltd	3.20%
Citicorp Nominees Pty Ltd	2.92%
Bacchus Resources Pty Ltd	2.30%
BNP Paribas Nominees Pty Ltd	2.20%
HSBC Custody Nominees (Australia) Limited	1.86%
Bond Street Custodians Limited	1.76%
ESM Limited	1.67%
J P Morgan Nominees Australia Pty Limited	1.60%
Top 20 Shareholders	**38.79%**

Key Investment Highlights

- **Strategic Proximity:** Located just 1.4 kilometres from MP Materials' Mountain Pass Mine, the only producing rare earth mine in the U.S.
- **Institutional Recognition:** Major investment in the Mojave region, including a US$400 million DoD commitment and a US$500 million Apple partnership with MP Materials to secure domestic rare earth supply.
- **Exceptional High-Grade Targets:** Assays up to 46% antimony and 1,022 g/t silver at the Desert Antimony Mine, and 12.1% TREO with 3.19% NdPr at the El Campo rare earth prospect.
- **Drill-Ready and Well-Funded:** Approvals secured for REE and antimony programs, with A$6 million cash post-August 2025 raise and drilling to commence Q3 2025.
- **Favourable U.S. Policy Environment:** Beneficiary of the March 2025 Executive Order, with permitting acceleration through FAST-41 and access to DoD, DoE, and EXIM Bank funding pathways.
- **Market Timing & Rising China Trade Tension:** Antimony prices have risen from US$5,500/t in 2019 to US$60,000/t in 2025, driven by Chinese export restrictions and U.S. supply chain security measures. REE demand continues to grow, supported by permanent magnet production with NdPr as a key high-value component.

Company Overview

Locksley Resources (ASX: LKY, OTCQB: LKYRF) is a U.S.-focused critical minerals explorer advancing its flagship Mojave Project in San Bernardino County, California. The project is located 1.4 kilometres from MP Materials' Mountain Pass Mine, the only producing rare earth operation in the U.S., providing direct proximity to established processing infrastructure, a skilled regional workforce, and potential downstream partners. The project is within a federally prioritised critical mineral corridor that has attracted significant capital investment, including US$500 million from Apple and US$400 million from the U.S. Department of Defence (DoD) into MP Materials.

The Mojave Project hosts two high-grade, drill-ready targets offering rare dual exposure to antimony and rare earth elements (REEs) such as neodymium-praseodymium (NdPr). Locksley's Desert Antimony Mine has returned surface assays of up to 46% antimony and 1,022 g/t silver, making it one of the highest-grade undeveloped antimony opportunities in North America. The El Campo rare earth prospect, located along strike from Mountain Pass, has returned assays of up to 12.1% TREO, including 3.19% NdPr, a critical feedstock for permanent magnets used in electric vehicles, renewable energy technologies, defence, and advanced electronics.

A first phase of RC drilling is scheduled for September 2025, with both antimony and REE projects having secured accelerated Bureau of Land Management (BLM) drilling approvals. Following Phase 1 approval, Locksley submitted an expanded Plan of Operations (POO) for Phase 2 at the Desert Antimony Mine project, increasing planned drilling to 13 RC holes from 11 pads, totalling 2,180 metres. The Plan of Operations submission was announced following the successful completion of a heavily oversubscribed $5.3 million institutional-focused placement on 31 July 2025. With a cash balance of A$6 million and options providing future capital injections, the Company is fully funded for near-term exploration and additional downstream initiatives. The raise coincided with the appointment of Tribeca Capital as strategic advisor, providing Locksley with deep critical minerals expertise, a global network, and enhanced access to U.S. government engagement, technology partners, and funding opportunities. Fieldwork will resume on 24 August 2025 with the deployment of Locksley's structural geology team for a second round of detailed mapping, structural interpretation and rock chip sampling, focussing on four new and extensional target areas to identify additional drill targets.

Structural Tailwinds

The Trump administration's March 2025 Executive Order on Critical Minerals has reset U.S. federal strategy by accelerating permitting under FAST-41 timelines, delegating Title III Defence Production Act (DPA) authorities, and reinforcing Department of the Interior and Department of Defence initiatives such as expedited NEPA reviews, strategic stockpiling, and NdPr price floor agreements. This framework has already delivered materially shortened Bureau of Land Management approvals for Locksley's El Campo and Desert Antimony drilling programs, while broadening access to federal funding pathways.

Locksley is actively aligning with this policy environment through its application for Critical Materials Institute (CMI) membership, enabling collaboration with leading U.S. research organisations, and direct engagement with EXIM Bank and the Department of the Interior on financing solutions, permitting frameworks, and DPA opportunities. The Company's processing strategy also fits within multiple Department of Energy programs under the new US$1 billion funding package announced 13 August 2025, creating eligibility for non-dilutive capital to pilot innovative recovery pathways.

In parallel, Locksley is advancing a U.S.-based downstream strategy that integrates mining, processing, and advanced materials supply to provide a domestic alternative to foreign REE and antimony processing. This approach directly aligns with U.S. critical mineral policies prioritising national security, advanced manufacturing, and supply chain resilience. To accelerate execution, the Company is preparing a FAST-41 federal permitting application and has active funding submissions with the DoD, DoE, and EXIM. The appointment of critical minerals strategist Allister Caird, alongside U.S.-based Viriathus Capital LLC, strengthens Locksley's ability to expand in North America, deepen engagement with U.S. government stakeholders, and advance its downstream and innovation strategy.

Market fundamentals for Locksley's target commodities are exceptionally strong. Antimony prices have risen from approximately US$5,500 per tonne in 2019 to US$60,000 per tonne in 2025, driven by Chinese export restrictions, growing demand from defence, energy storage and the complete absence of U.S. domestic production. Approximately 60% of U.S. antimony imports come from China, and the NdPr market is widely projected to enter a structural deficit in the coming years. Locksley has multiple near-term catalysts following the September drilling program, including additional high-grade assays, work toward a JORC Exploration Target, and progress on strategic funding and downstream integration. Combined with a tier-1 location adjacent to Mountain Pass, dual exposure to antimony and REE, supportive federal policy settings, and constructive market conditions, these milestones outline a clear pathway to value recognition subject to drilling outcomes.

Mojave Project Overview

*Proximity of 1.4km from the **NYSE:MP** Mountain Pass Mine and 7.7km from the **ASX:DTR** Colosseum Mine, creating a concentration of critical minerals assets aligned with federal strategic priorities.*

The Mojave Critical Minerals Project is located in San Bernardino County, California, within a tier-1 jurisdiction and recognised critical minerals corridor that hosts MP Materials' Mountain Pass Mine and Dateline Resources' Colosseum Project. The project area comprises a total of 264 mining claims covering 20.9km², grouped into 3 distinct areas, the North Block, which directly abuts claims held by MP Materials, the Northeast Block, and the El Campo Prospect. El Campo lies along strike from the Mountain Pass Mine and is enveloped by MP Materials' claims, highlighting strong geological continuity and exploration potential.

The project hosts two key targets: the Desert Antimony Mine, a historically high-grade antimony prospect, and the El Campo rare earth prospect, which shares geological similarities with Mountain Pass. Strategically located just 1.4 kilometres from MP Materials' processing facility and 7.7 kilometres from Dateline Resources' Colosseum Project, Locksley's Mojave Project is positioned within a rapidly emerging U.S. critical minerals hub with over 50,000 permits granted in the last 6 Years in California.

*Locksley's antimony and REE projects sit in a tier-1 U.S. critical minerals corridor, offering strong development potential and optionality through future offtake, partnerships, or strategic transactions, **including potential M&A interest as the projects advance.***

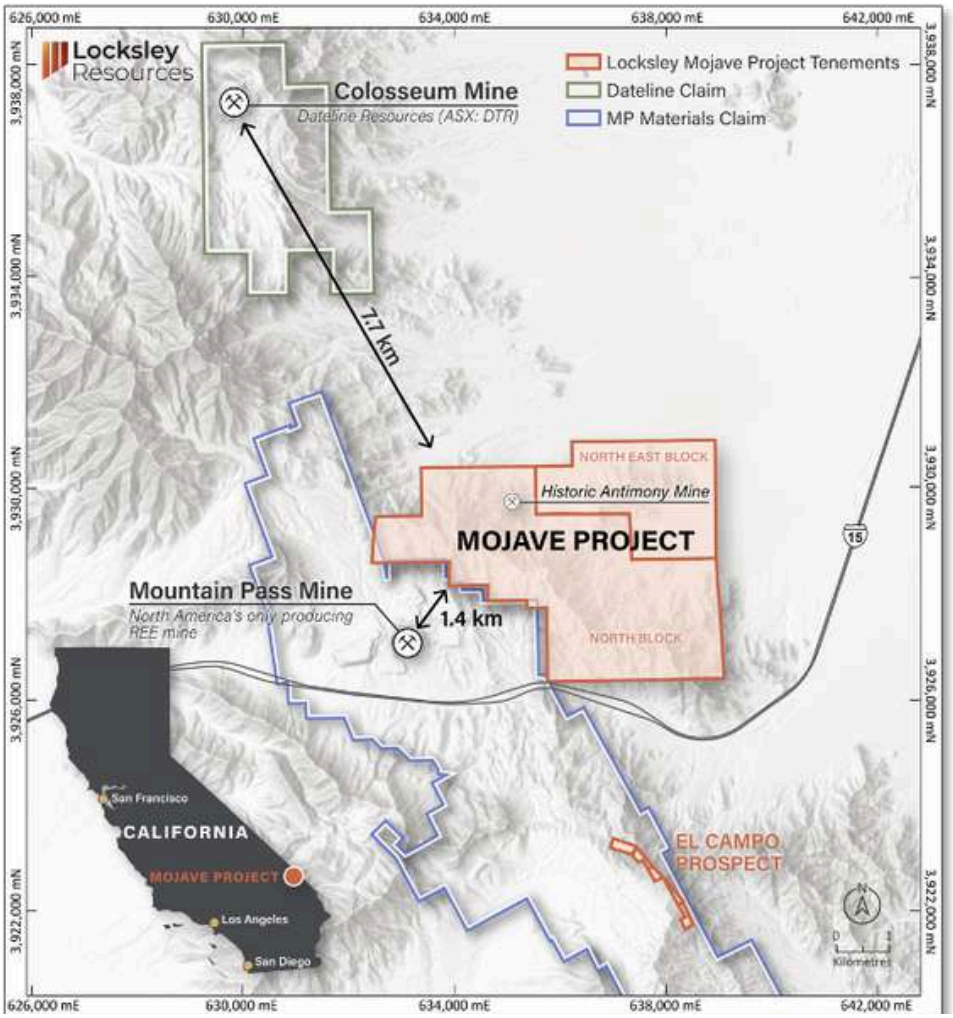


Figure 1: Mojave Project Overview & Proximity to Peers. *Source*: *Company*

Geographic Setting and Infrastructure

The Mojave Project is located approximately 24km southwest of the California–Nevada border and 48km northeast of Baker, within the historic Clark Mining District, established in 1865. Beyond hosting MP Materials' Mountain Pass Mine, the only operating rare earth mine in the U.S., the broader district continues to demonstrate significant rare earth potential.

Dateline Resources' Colosseum Project, situated around 10km north of Mountain Pass, recently returned highly encouraging geophysical results. A magnetotelluric (MT) survey identified the same "triple anomaly" seen at Mountain Pass, comprising a gravity high, a magnetic low and a zone of intermediate resistivity[1]. These are considered strong indicators of carbonatite-hosted rare earth mineralisation. If confirmed, Colosseum could emerge as the second major rare earth operation within the district.

The Mojave Project directly benefits from this established critical minerals corridor. It has direct road access, nearby transmission infrastructure and year-round exploration capability. The project is situated on federal lands administered by the U.S. Bureau of Land Management, operating under a clear regulatory framework that supports efficient permitting and development.

Geological Framework

Locksley's Mojave project shares key geological similarities with the Mountain Pass deposit. *Mid-Proterozoic intrusive rocks have been documented at El Campo, analogous to the carbonatite terrane at Mountain Pass.*

The Mojave Project is located in the southern Clark Range within the northern Mojave Desert, part of the southwestern Great Basin province that extends from central Utah to eastern California. This region is characterised by tertiary-age extensional deformation that formed the basin and range landscape of broad north–south-trending mountain ranges separated by sloping valleys.

The nearby Mountain Pass rare earth deposit lies within an uplifted block of Precambrian metamorphic and igneous rocks. This block is bounded by basin fill formations of the Ivanpah Valley to the south and east and separated from adjacent Palaeozoic and Mesozoic rocks to the west by the Clark Mountain fault, which strikes north-northwest and dips steeply to the west. Mountain Pass is a carbonatite-hosted rare earth deposit where mineralisation is principally contained within carbonatite igneous rocks.

The Mojave Project shares key geological similarities with the nearby Mountain Pass deposit. Mid-Proterozoic intrusive rocks, including syenite, shonkinite and carbonatite, have been documented at the El Campo claim blocks and are interpreted to extend into the North and Northeast Blocks. These rock types are analogous to the carbonatite terrane at Mountain Pass, highlighting a favourable setting for rare earth and antimony mineralisation.

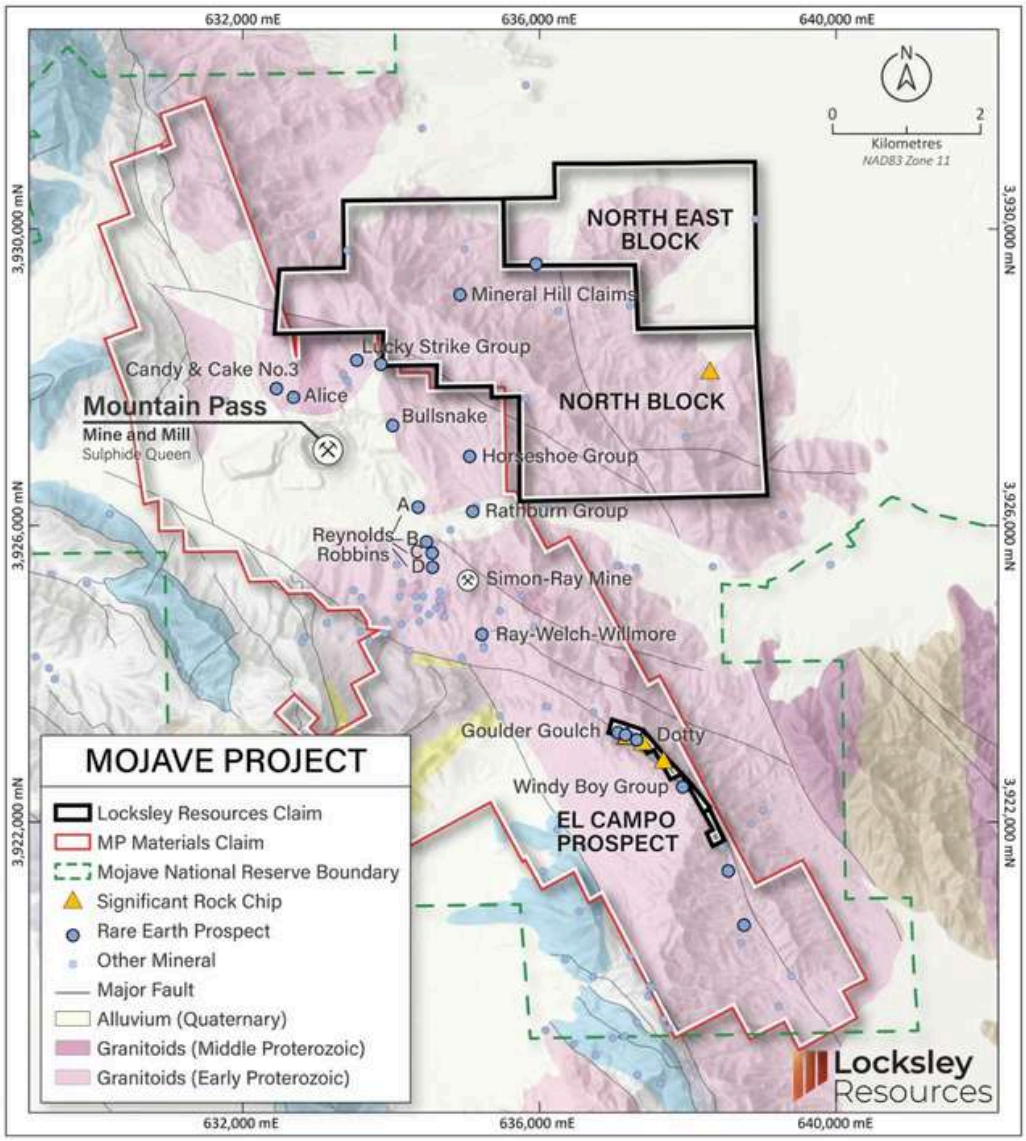


Figure 2: Annotated Mojave Project Blocks. *Source: Company*

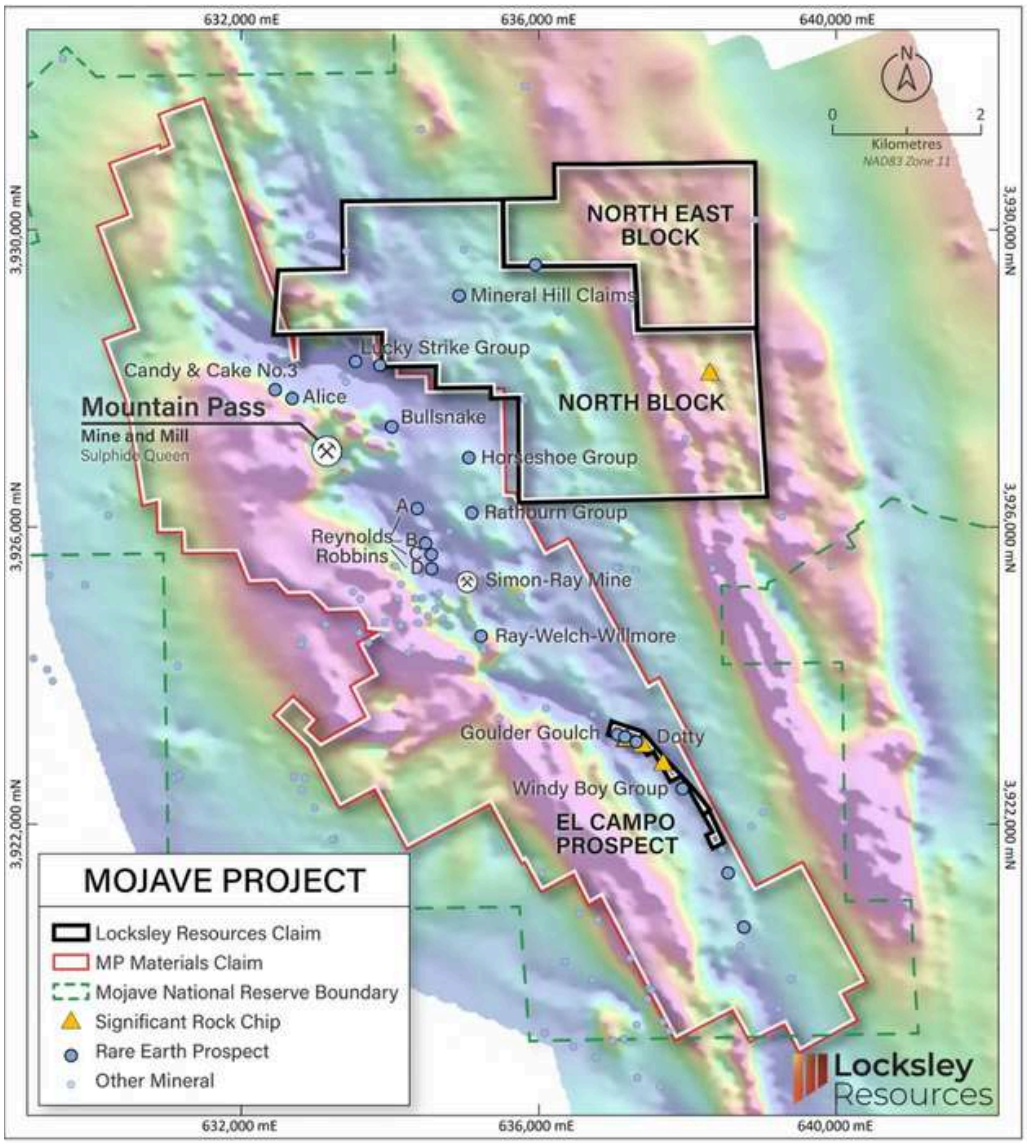


Figure 3: Annotated Mojave Project Blocks. *Source: Company*

Tenure and Permitting Status

Further permitting is in progress, with a **Plan of Operations submitted to expand the September 2025 drilling program.**

All mining claims are held under the General Mining Law of 1872 and administered by the U.S. Bureau of Land Management (BLM). Locksley Resources has successfully advanced the federal permitting process, securing an approved Plan of Operations (POO) for drilling at the Desert Antimony Mine. This approval enables the commencement of an RC drilling program targeting high-grade antimony vein structures identified from historical workings and surface sampling.

Further permitting is underway to expand the Plan of Operations to include drilling at both the Desert Antimony Mine and the El Campo rare earth prospect. The updated application has been submitted with approval anticipated by early September, enabling an expanded drilling program across multiple Antimony and REE targets.

Recent policy developments have enhanced the permitting environment for domestic critical minerals projects. The March 2025 Executive Order has streamlined BLM assessments and improved inter-agency coordination for projects aligned with U.S. national security objectives. This policy shift has shortened approval timelines and provides a clearer pathway for projects such as Mojave to access future federal support through mechanisms.

The tenure provides secure exploration rights with a straightforward pathway to convert to mining leases upon the demonstration of economic mineralisation. Administration by the BLM ensures a predictable regulatory process compared to many other jurisdictions.

Desert Antimony Mine

The Desert Antimony Mine is the highest-grade component of Locksley's Mojave Critical Minerals Project. Historical records indicate intermittent small-scale production in 1926-1927 and again in 1939, before the mine was abandoned due to technological limitations and low antimony demand at the time. Today, modern exploration techniques and heightened U.S. strategic interest in securing critical minerals provide a unique opportunity to unlock the deposit's untapped potential.

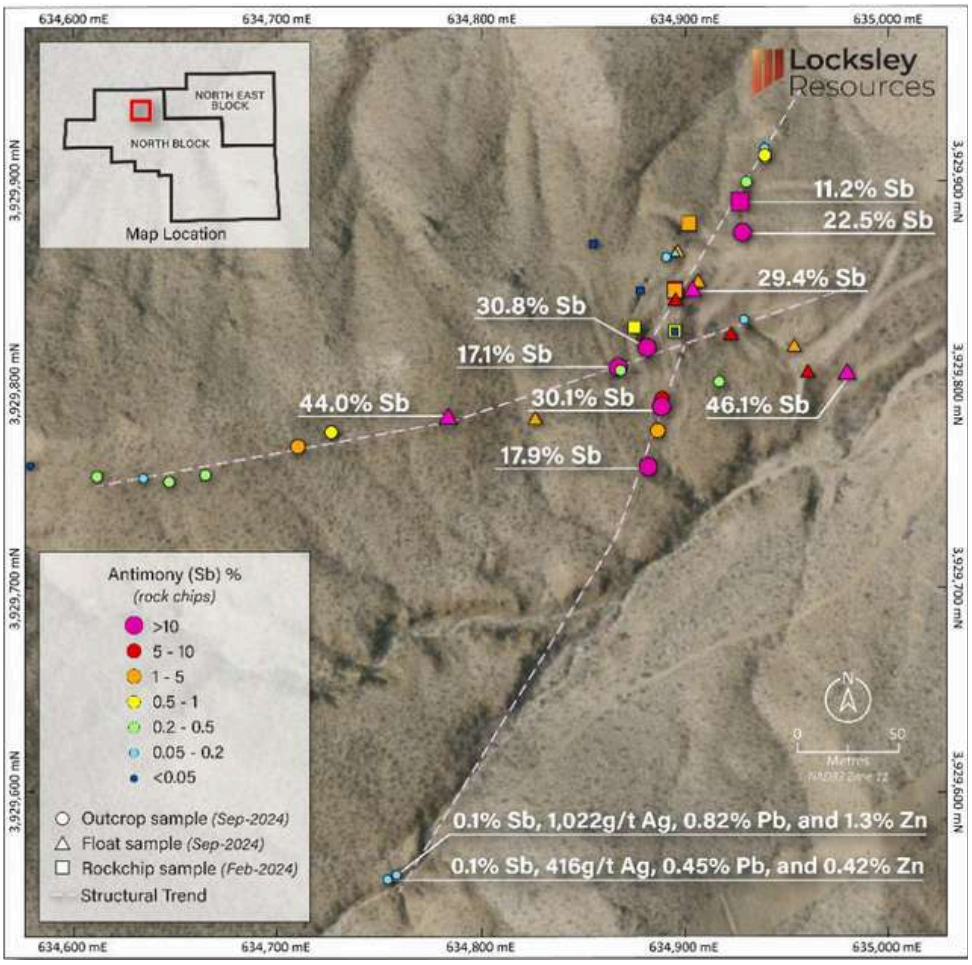


Figure 4: Antimony (Sb) % rock chip assays at the Mojave Desert Antimony Mine. *Source: Company*

Regional Geology and Mineralisation

*Up to **46% Sb** and **1,022 g/t Ag**, making it one of the highest-grade known antimony occurrences in the U.S.*

Surface sampling at the Desert Antimony Mine has returned exceptionally high grades, including up to 46% antimony (Sb) and 1,022 g/t silver (Ag), confirming it as one of the highest-grade known antimony occurrences in the United States. 8 surface samples returned over 17% Sb and 18 over 1.4% Sb, demonstrating a robust and continuous mineralised system. The associated silver by-product credits have the potential to enhance the economic profile of any future operation, providing an additional revenue stream beyond antimony.

The mineralisation is hosted within quartz-carbonate-stibnite veins strongly controlled by a north-northeast to south-southwest structural corridor, complemented by newly recognised east–west trending vein sets. Mapping has identified up to 3 discrete stibnite-rich vein positions within this corridor, suggesting a potentially interconnected network of high-grade mineralisation. At surface, stibnite veining extends for about 200 metres along strike, with quartz-carbonate veins locally reaching up to 1 metre in width and hosting antimony-rich stringer veins anastomosing within broader structures.

Detailed mapping has also confirmed massive stibnite in and around historical underground workings, which validate the quality of the mineralisation and provide key structural controls for drill targeting. Importantly, newly identified east–west trending mineralisation introduces 3 geological models for testing, including the potential for a broader interconnected vein network. The 3D solid geology model (Figure 5) has been completed from surface geological mapping, defining the broader mineralisation zone as well as discrete stibnite-rich quartz-carbonate veins. This model has refined drill planning and will assist with defining a potential JORC Exploration Target.

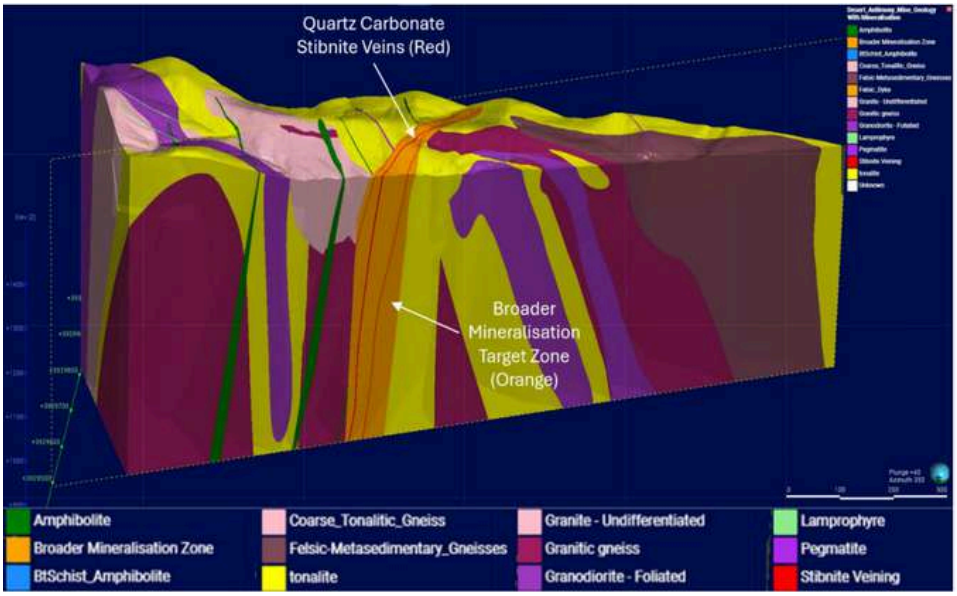


Figure 5: Isometric view to the NE of the 3D geological model which has been constructed from surface geology mapping at the Desert Antimony Mine Prospect. The 'Broader Mineralisation Zone' target horizon is annotated and defined from surface mapping of the occurrence of Stibnite rich Quartz Carbonate Veins. Discrete Stibnite veins have also been modelled and interpreted from surface exposures, *Source: Company*

Permitting Milestone and Maiden Drilling Program

Drilling at the Desert Antimony Prospect is scheduled to commence in the September 2025 quarter. Permitting was expedited under the March 2025 U.S. Executive Order on Critical Minerals, with the BLM granting final approval in July 2025 for Locksley's maiden RC program. Following this initial approval, Locksley submitted an expanded Plan of Operations (POO) to the BLM, increasing the total planned drilling at the Desert Antimony Prospect to ~2,180 metres. The updated program outlines 13 RC holes from 11 pads, with depths ranging from 100 to 240 metres.

The expanded scope is designed to test three NNE–SSW trending quartz-carbonate-stibnite vein positions, a newly identified E–W structure, and high-grade zones adjacent to and below historic underground workings. These targets were defined through a structural mapping program that confirmed the three stibnite-rich vein sets, identified the E–W structure, and enlarged the mineralised footprint. Integration of geological mapping, surface sampling, and enhanced 3D modelling is underway to optimise drill targeting and support the definition of a JORC-classified Exploration Target ahead of drill testing.

With BLM bond confirmation and final approval for the expanded POO expected in September 2025, site preparation, earthworks, and drilling are planned to begin in late September. The program is fully funded following with a current cash position of A$6 million. Continuous news flow is expected over the next four to five months, covering preparations, drilling, and subsequent results.

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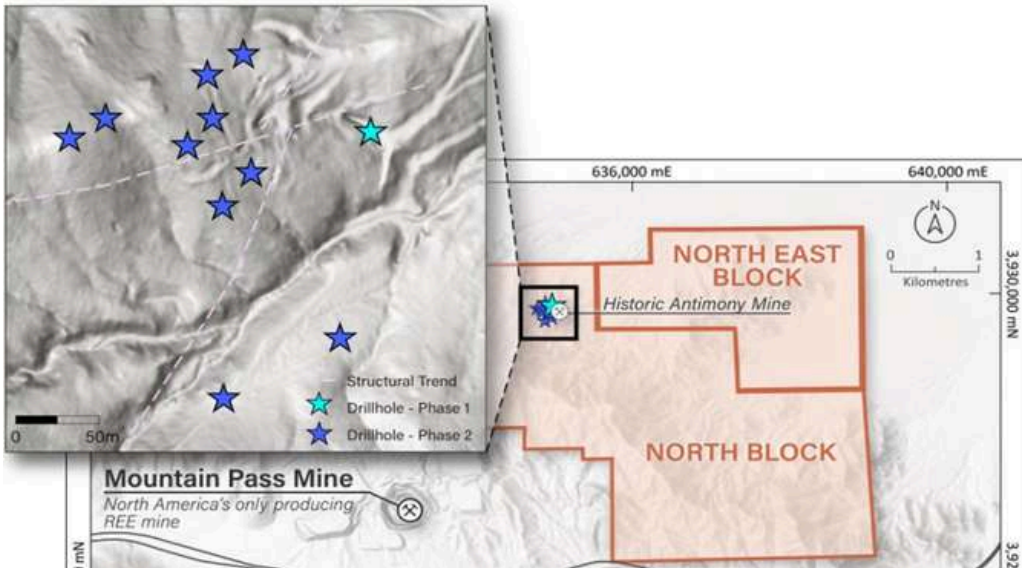


Figure 6. Desert Antimony Mine Phase 1 & Phase 2 drillholes planned for September 2025, *Source: Company*

13 drill holes *currently approved and planned for* ***September drilling.*** *Following Plan of Operations submitted and waiting further approval for* ***expanded drilling program****.*

Figure 7. Four priority targets for upcoming field mapping commencing 24 August 2025, *Source: Company*

A structural and geological field mapping campaign will commence in late August across the North Block of the Mojave Project. The program will prioritise four target areas, including two focused on extending mineralisation at the Desert Antimony Prospect and two assessing REE potential within the North Block. Planning and contractor engagement is also underway for magnetic, radiometric, and gravity surveys to generate high-resolution datasets to refine and prioritise drill targets.

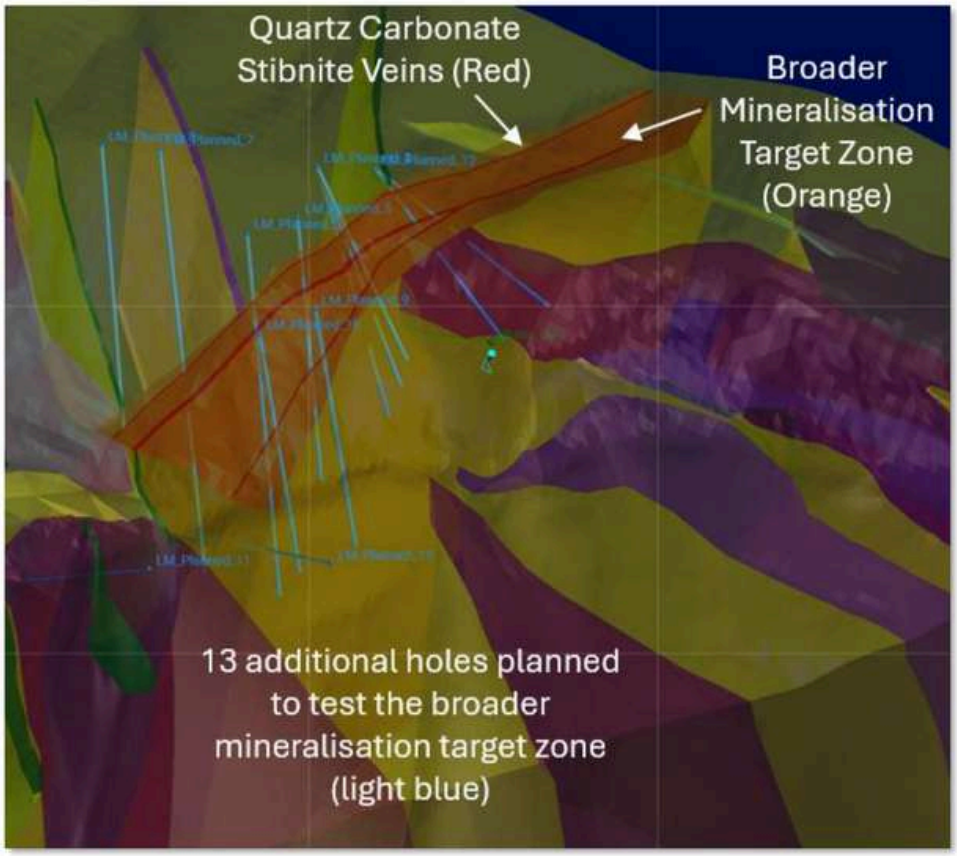


Figure 8: Isometric view to the NW of the 3D geological model which has been constructed from surface geology mapping at the Desert Antimony Mine Prospect. The 'Broader Mineralisation Zone target horizon is annotated and defined from surface mapping of the occurrence of Stibnite rich Quartz Carbonate Veins. Discrete Stibnite veins have also been modelled and interpreted from surface exposures. Expanded drillhole program shown in light blue. *Source: Company*

Antimony Analysis: U.S. National Security and Advanced Technology

Antimony is a silvery-white, brittle metalloid that has become increasingly important to modern manufacturing and technology. While it remains relatively obscure to the public, its unique chemical and physical properties make it indispensable across a range of critical applications.

Its importance lies in its versatility. Antimony compounds provide strong flame-retardant capabilities, boost the performance of lead-acid batteries, strengthen metal alloys, and act as catalysts in chemical processes. This wide utility has led countries such as the United States, EU, Japan, Australia, Canada, and the UK to designate antimony as a critical mineral[18].

Antimony trioxide (Sb_2O_3), the most commercially significant antimony compound, functions as a synergist rather than a primary flame retardant. When combined with halogenated flame retardants (typically bromine or chlorine-based), antimony trioxide creates a powerful fire-suppression effect that far exceeds what either component could achieve independently. This synergistic effect allows manufacturers to achieve superior flame retardancy while using smaller quantities of halogenated compounds, a benefit for both cost efficiency and environmental considerations[2].

Its unique properties also make it a vital hardening and strengthening agent for metals, most notably in hardening lead for ammunition, enhancing the penetration capacity of armour-piercing rounds, and supporting advanced technologies such as night-vision goggles, infrared sensors, explosives. Beyond defence, antimony plays a key role in semiconductors and solar panels, underpinning both military infrastructure and broader energy security.

U.S. Antimony End Use 2024

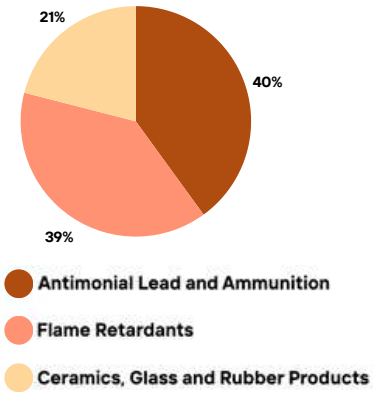


Figure 9. U.S. Antimony Demand End Use 2024, *Source: (U.S. Geological Survey 2025).*

Rise in Military Spending between 2000 - 2025

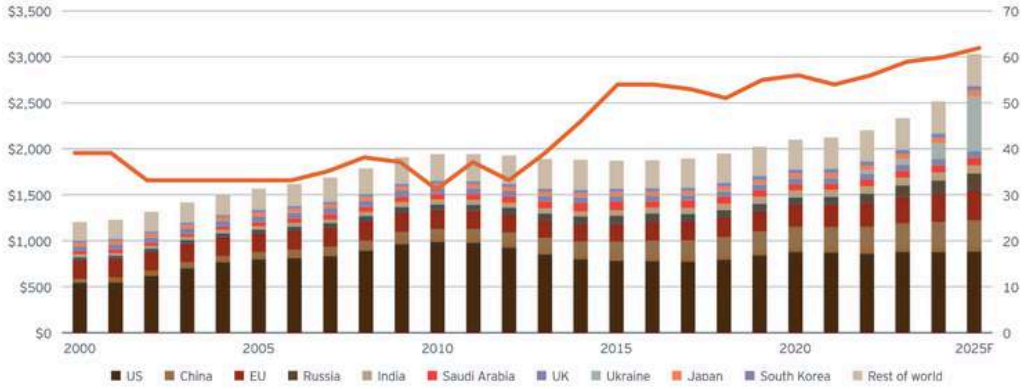


Figure 10: Left axis - military spending (US$ billions), Right axis - active wars (count), *Source: Stockholm International Peace Research Institute (SIPRI), Oregon Group et al.*

Despite growing demand, the United States has no domestic antimony mining and remains almost entirely import-dependent. In 2024, 85% of U.S. consumption was supplied offshore, with 63% sourced from China, 8% from Belgium, 6% from India, 5% from Bolivia, and the remaining 18% from other countries. Recycling from secondary sources, primarily lead-acid batteries, covered only 15% of U.S. demand, down from 18% in 2023m[3].

Solar PV Installations: Historical and Forecast

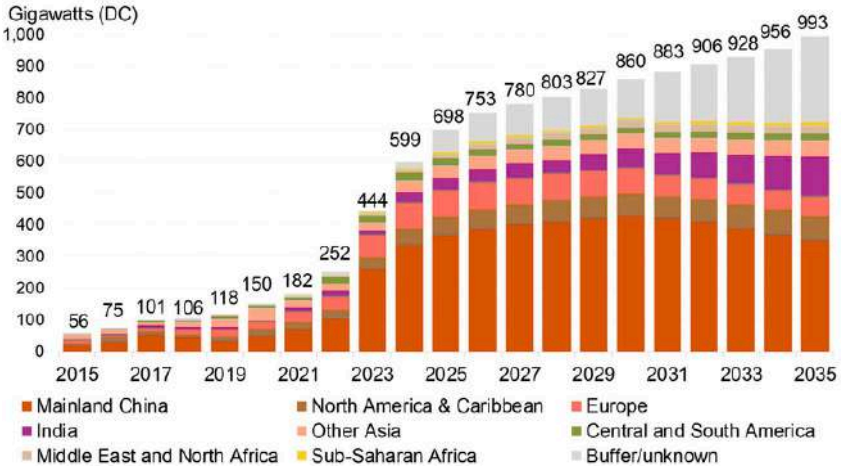


Figure 11: Historical and Forecasted Solar PV Installations 2015-2035 *Source: BloombergNEF 2025*

Antimony plays a critical role in advancing solar technology. It improves light absorption and charge transport, boosting energy conversion efficiency. Antimony compounds also enhance the thermal stability of solar panels, allowing them to operate reliably under extreme conditions. China Merchants Securities forecasts that demand for antimony from the photovoltaic (PV) sector will rise sharply, increasing from 16,000 tons in 2021 to 68,000 tons in 2026[16]. This would lift the sector's share of total antimony consumption from 11% to 39%. At the same time, the global supply gap is projected to widen from 8,000 tons in 2022 to 21,000 tons by 2026[4]. The rapid buildout of solar energy in China underpins this surge in demand, with the country commissioning as much solar PV capacity in 2023 as the entire world did in 2022[5].

Antimony, Gallium, Germanium Prices During China Export Controls and Bans

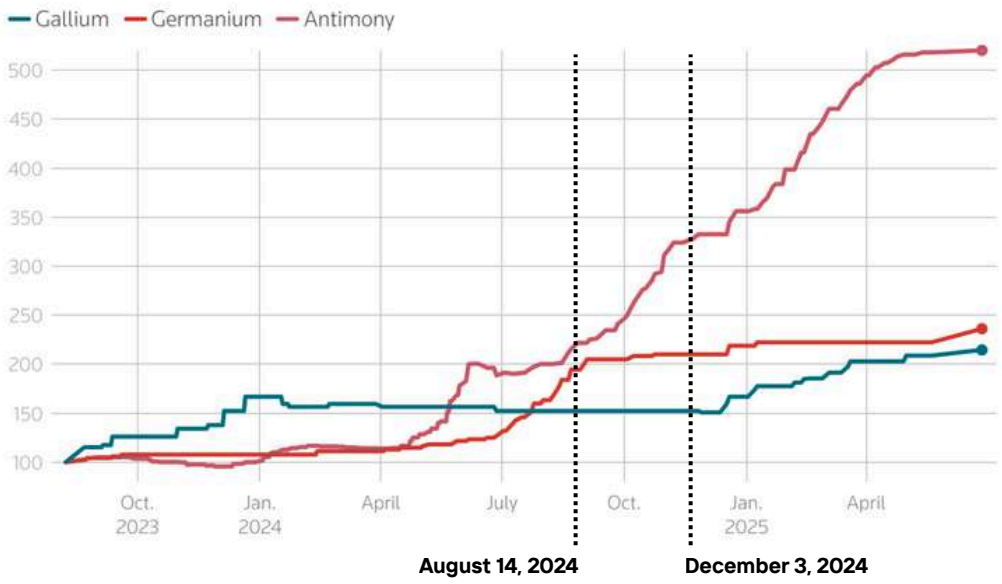
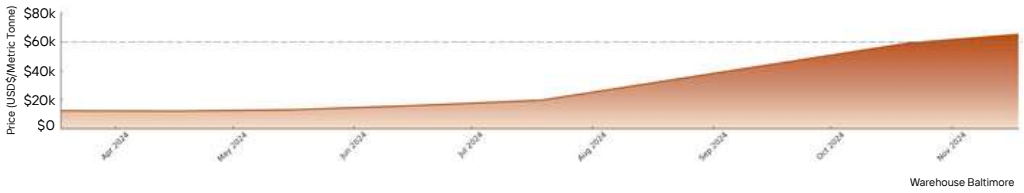


Figure 12: Note: Prices have been rebased to 100 using the August 2023 price as the base for a clear comparison of relative price movements across elements with different absolute price levels.
Source: Reuters

China licensing requirements and a **full export ban on Antimony to the United States** triggered severe supply chain disruptions and **significant price increases in 2024.**

This strategic vulnerability was badly exposed on August 14 2024, when China introduced new export licensing requirements for antimony ore, metals, oxides, and related compounds, citing "national security." Just months later, on 3 December 2024, China escalated these measures by imposing a full export ban to the United States, triggering severe supply chain disruptions (Figure 12). Antimony surged more than 250% and ended 2024 at nearly US$40,000 per tonne. In 2025, prices have climbed even higher, now ranging between US$57,000 and US$60,000 per tonne (Figure 13).

99.65% Antimony Export Price (USD$/Metric Tonne)



*Antimony price increased from **US$5,500** per tonne in 2019 to approximately **US$60,000** per tonne in 2025[14].*

Figure 13: Antimony prices reaching record highs in 2025 on supply fears
Source: Scrap Monster (n.d.); Locksley Resources

Compounding the issue, Chinese reserves are depleting, ore quality is declining, and stricter environmental regulations have forced widespread mine closures, particularly in provinces such as Hunan in 2024. Even Chinese smelters are increasingly reliant on imported antimony concentrates, underscoring a tightening global supply chain. While new production from Russia's Polyus mine offered temporary relief in 2023, the global market fell back into deficit in 2024 and is projected to remain undersupplied until at least 2026 due to the long lead times and permitting hurdles facing new mine development.

Decrease in Global Antimony Production: 2000 - 2022

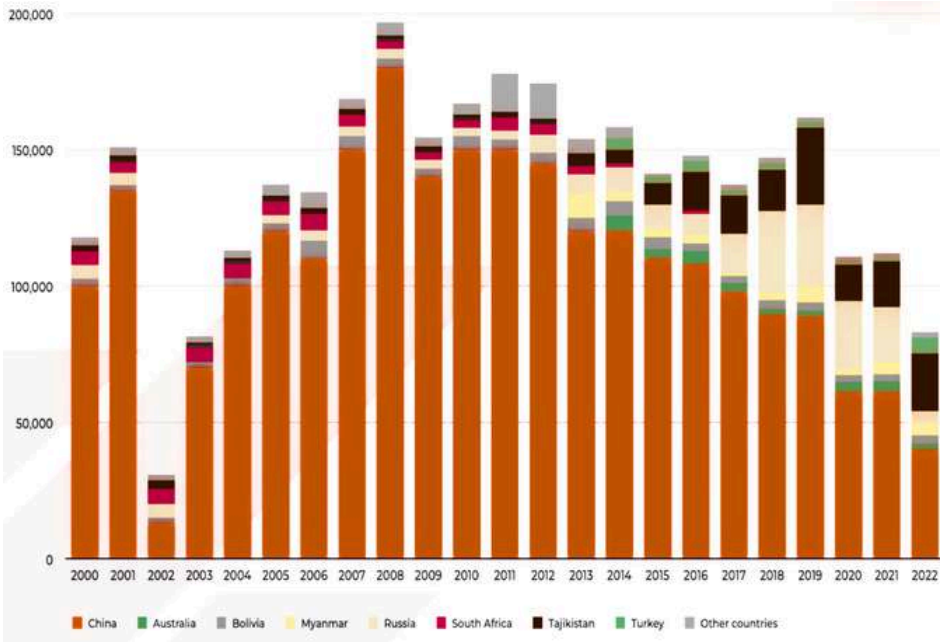


Figure 14: Decrease in global antimony production between 2000 and 2022

Globally, antimony mine production in 2023 totaled 106,000 tonnes, with China accounting for around 62,300 tonnes, or nearly 60% of global supply. Other major producers included Russia (13,000 tonnes) and Tajikistan (17,000 tonnes)[3].

Reserves remain highly concentrated in a handful of countries. China holds the largest share at 670,000 tonnes, followed by Russia with 350,000 tonnes, Bolivia with 310,000 tonnes, and Australia with 140,000 tonnes. Other notable reserves are in Kyrgyzstan (260,000 tonnes) and Turkey (99,000 tonnes), leaving Western nations with very limited secure domestic supply[3].

Globally, ***87% of mined supply in 2023*** *came from* ***China, Russia, and Tajikistan.***

The U.S. still has no domestic antimony mining.

World Antimony Mine Production 2023

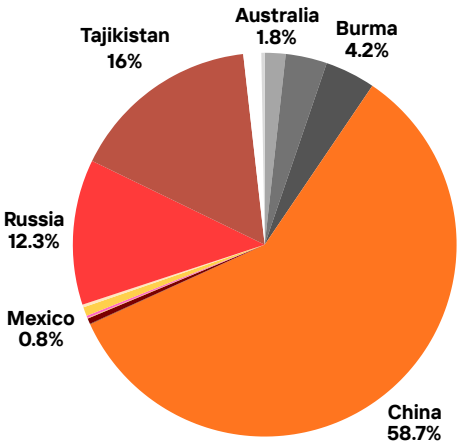


Figure 15: 2023 World antimony mine production
Source: U.S. Geological Survey (2025)

World Antimony Reserves 2023

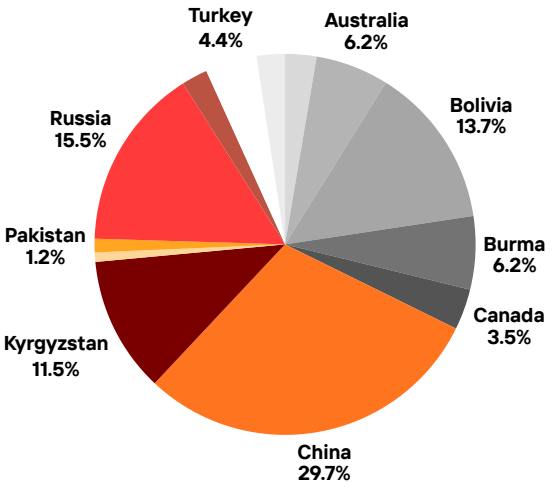


Figure 16: 2023 World antimony reserves
Source: U.S. Geological Survey (2025)

For the U.S., this concentration of antimony supply amplifies the strategic urgency to establish secure domestic production. Its critical role in defence technologies, combined with the dominance of geopolitical rivals in global production, has created strong momentum at both federal and industry levels to diversify and localise supply chains.

Within this context, the Desert Antimony Mine offers the U.S. a rare opportunity to begin restoring sovereign control over the essential mineral. Combining high-grade potential with a favourable federal permitting environment, Locksley's antimony asset is positioned to attract strategic interest from U.S. government agencies, defence contractors, and industries reliant on energy storage, semiconductors, flame retardants, and other critical supply chains that underpin modern infrastructure and technology.

El Campo REE Prospect

El Campo lies along strike of the MP Materials' Mountain Pass Mine and is surrounded by its claims

The El Campo Prospect is a cornerstone of Locksley's Mojave Critical Minerals Project. It is located along strike from MP Materials' Mountain Pass Mine, the only producing rare earth operation in the United States. Surrounded by MP Materials' claims, El Campo sits within a proven geological corridor that highlights both strong continuity and significant exploration potential.

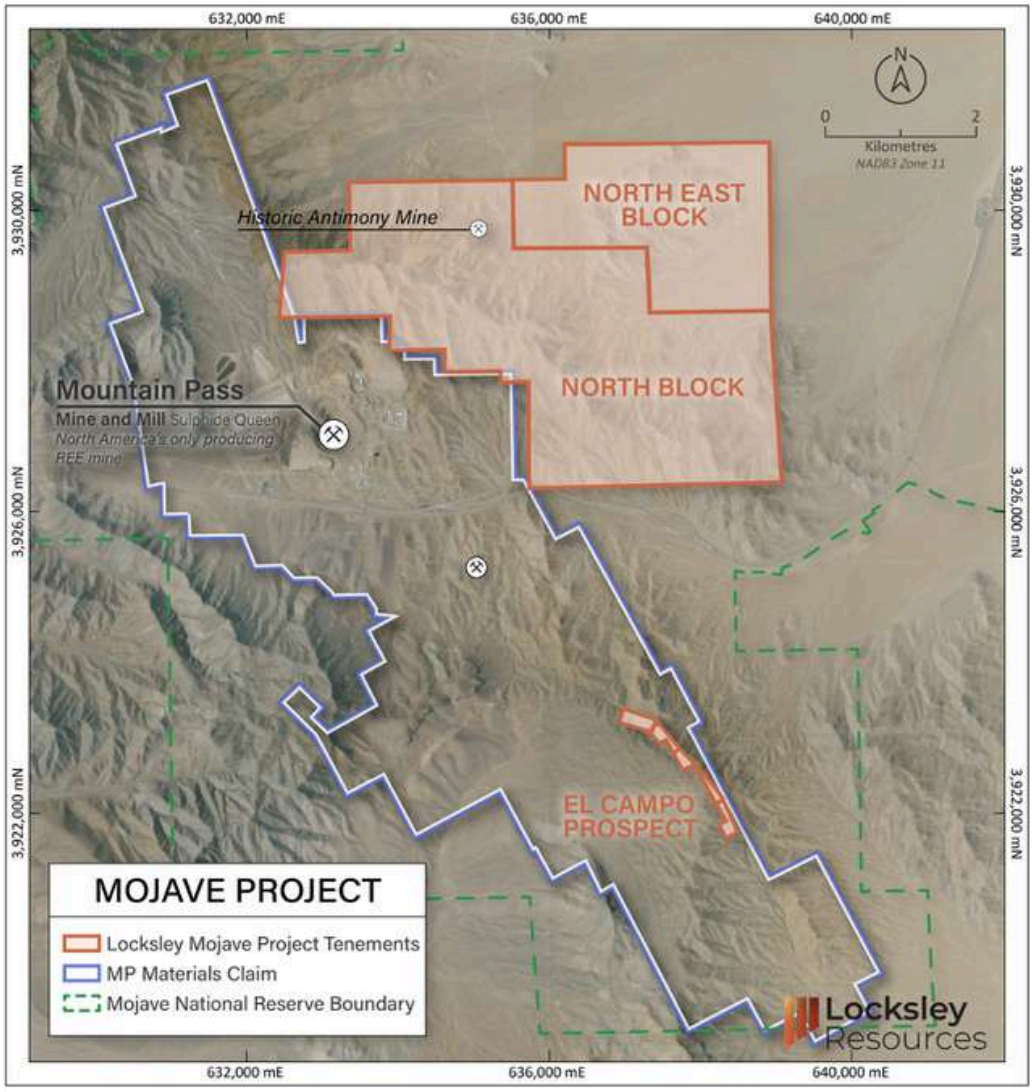


Figure 17: Mojave Project map of El Campo's strategic position within MP's claims. *Source: Company*

Regional Geology and Mineralisation

*Up to **12.1%** Total Rare Earth Oxides (TREO) and **3.19%** neodymium-praseodymium (NdPr)*

Surface exploration at the El Campo Prospect has returned consistently high-grade rare earth results. Initial rock-chip sampling delivered TREO grades ranging from 3.74% to 9.49% across a six metre wide mineralised zone, including up to 3.19% neodymium-praseodymium (NdPr), which are the key magnet rare earth elements essential for electric vehicles, wind turbines and defence systems. Follow-up sampling further confirmed the system's potential, with 12 additional high-grade rock-chip results ranging from 1.03% to 12.1% TREO (Figure 18).

These results have defined a coherent 860 metre long prospective horizon interpreted from high-grade outcropping samples. This horizon aligns with a broader regional belt known to host rare earth deposits. The mineralisation at El Campo is hosted in carbonatite and alkaline intrusive rocks, which are geologically comparable to those found at the nearby Mountain Pass Mine. This similarity, combined with the project's strong surface results and strategic location, highlights its potential for further rare earth element discoveries within a proven district.

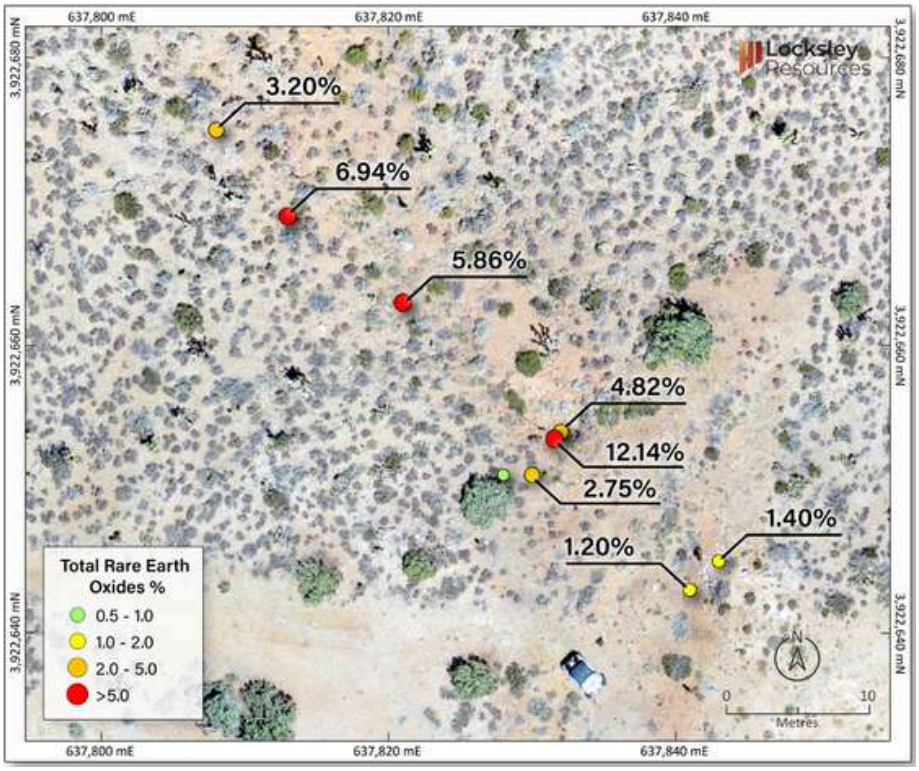


Figure 18: REE rock-chip mapping at El Campo *Source: Company*

Detailed structural mapping has confirmed that the primary REE-bearing shear zone dips steeply between 70 and 80 degrees to the southwest (Figure 19). This geometry is considered highly favourable for maintaining mineralisation continuity at depth and may be suitable for underground mining methods. The steep dip also enhances the likelihood of intersecting mineralisation in upcoming drill programs and supports optimal mining geometry for future development. Mapping has also confirmed the presence of the east–west trending South Fault at surface. This structure introduces a previously unrecognised target for rare earth exploration and extends the prospective area beyond the main shear zone.

Historic prospecting pits have been developed along a rare earth gossan. Drone imagery shows the surface expression of this gossan as an oxide stain shedding downslope. Beyond 46 metres to the northwest, the gossan becomes obscured beneath a scree slope, suggesting the mineralised system remains open under cover and along strike.

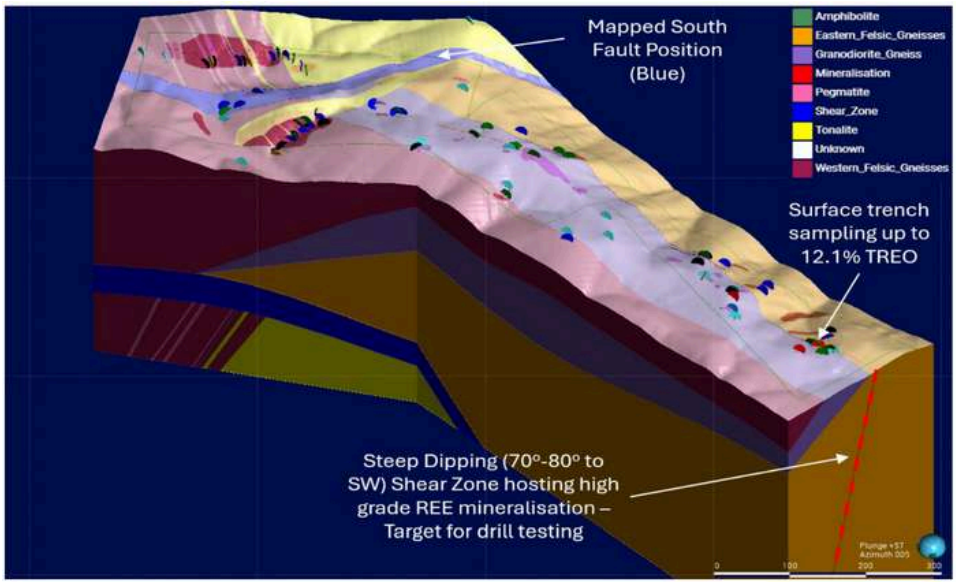


Figure 19: Isometric view to the NE of the 3D geological model which has been constructed from surface geology mapping at the El Campo Prospect. Surface geological map draped over the solid geology model with structural measurements shown as discs. Note high grade TREO result location in the southern part of the target area and interpreted steep dipping hosting shear zone. *Source: Company*

Permitting, Target Expansion and Maiden Drilling Program Design

Locksley Resources has received Bureau of Land Management (BLM) approval for a maiden drilling program of five REE-focused reverse circulation (RC) holes at the El Campo Rare Earths Prospect. This will be the Company's first subsurface exploration at the project, targeting structurally defined zones where previous rock chip assays returned up to 12.1% TREO and 3.19% NdPr.

The permitting process was also fast-tracked under the March 2025 U.S. Executive Order on Critical Minerals. Approval in June 2025 followed submission of all required bonds and fees and reaffirmed Locksley's legal rights to explore El Campo, despite previous objections from MP Materials. Independent U.S. legal advice confirmed Locksley's tenure, and the BLM ultimately denied MP's request for review and closed off the matter.

An expanded geological and structural mapping program will commence in late August across the North Block of the Mojave Project, directly adjacent to MP's Mountain Pass Mine. Four high-priority areas will be mapped, two focused on REE potential in the North Block and two targeting strike extensions from mineralisation at the Desert Antimony Prospect. Newly defined targets, including the 'Birthday' and 'North-East' Prospects, were identified via geological and geophysical analysis. Planned work includes magnetic, radiometric, and gravity surveys to refine targets.

Expanded geological and structural mapping program will commence in late August across the North Block of the Mojave Project, directly adjacent to MP's Mountain Pass Mine. **Four high-priority areas will be mapped.**

The El Campo drilling will test two key structures: a steeply southwest-dipping REE-hosting shear zone and a newly identified east–west trending South Fault. Drilling is set for late September 2025, following site preparation and mobilisation.

The program will integrate recent geological modelling and surface sampling to define a JORC Exploration Target ahead of further drilling, alongside metallurgical testwork for REE and antimony recovery. The drill design has been informed by a detailed structural geology mapping campaign completed in June 2025. Led by a specialist geologist, the program generated high-resolution surface maps and preliminary 3D models across both El Campo and the nearby Desert Antimony Mine.

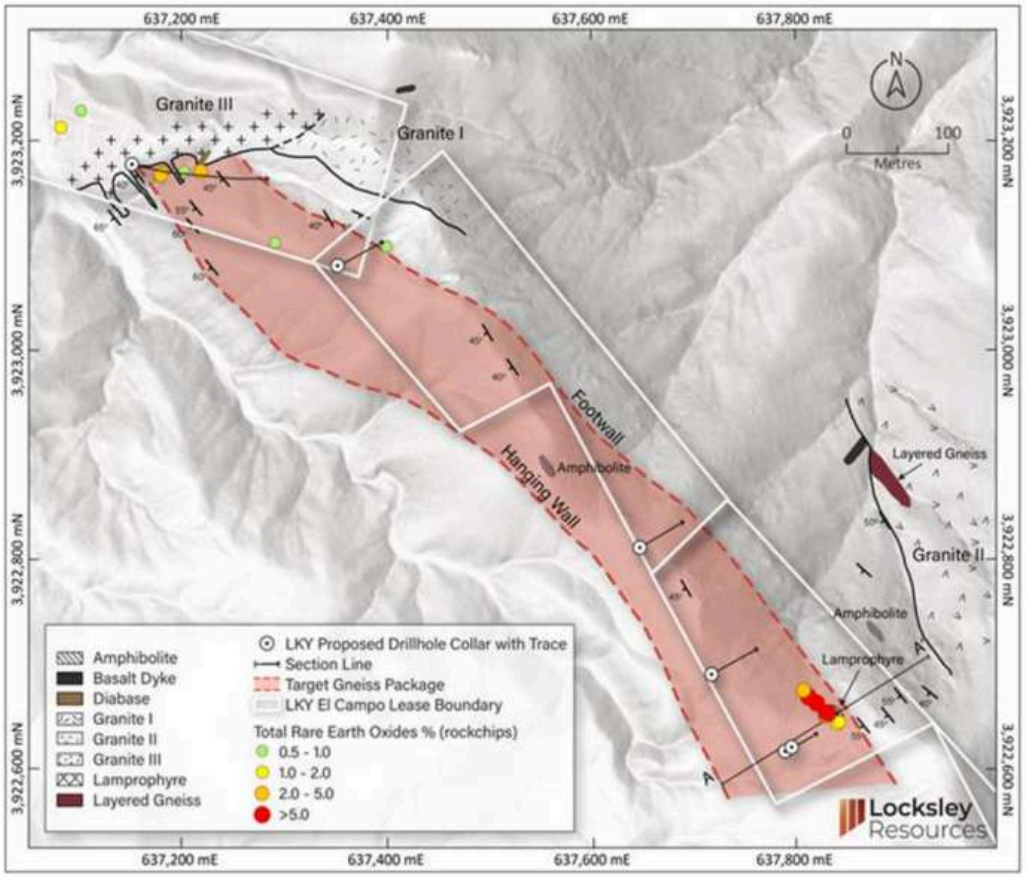


Figure 20: Map showing the El Campo Prospect with 5 planned drill hole locations to test the high grade REE mineralisation. *Source: Company*

Drilling at El Campo will proceed under the currently approved Notice of Intent. LKY also submitted an enhanced Plan of Operations (POO) to the BLM in late July, hoping to facilitate expanded drilling at the DAM prospect and support additional future phases of exploration.

Results from this maiden program will underpin resource modelling and inform downstream development decisions for both antimony and rare earth elements, supporting Locksley's broader strategy to build a fully integrated U.S. critical minerals supply chain.

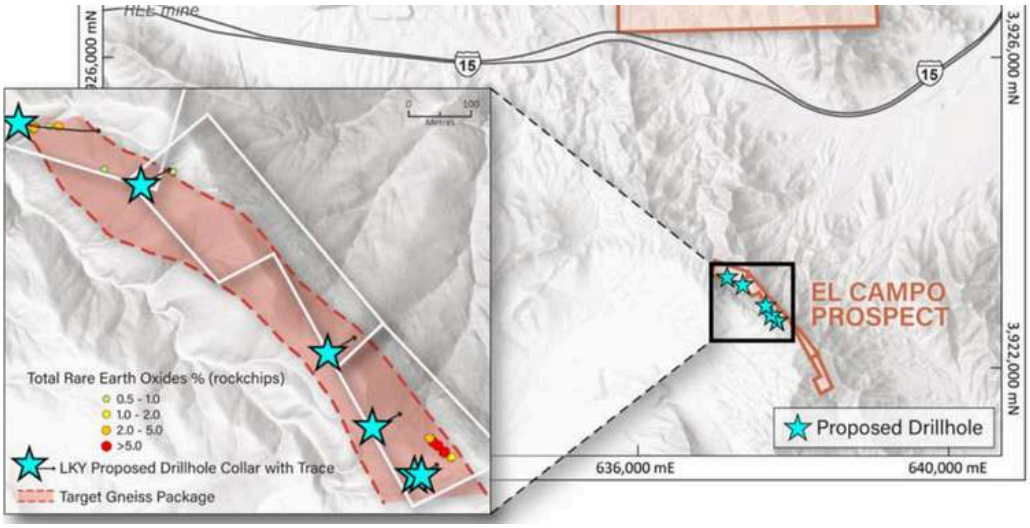


Figure 21: Proposed drill holes planned for September 2025 at El Campo. *Source: Company*

REE Analysis: Strategic Importance of REEs to the U.S.

Rare Earths Overview

Rare earth elements (REEs) are a group of 17 metallic elements vital for modern technologies, renewable energy systems, and national security. Their strategic value extends far beyond economics, underpinning sectors critical to both civilian industries and defence capabilities. Rare earths are unlike other metals because, while relatively abundant in the Earth's crust, they are highly dispersed and rarely form concentrated, economically viable deposits. They also occur together, requiring complex separation processes to isolate individual elements. This means the production of each rare earth is not dictated purely by its own market demand, but is instead a by-product of extracting the most sought-after ones, such as Nd and Pr[6].

Rare Earth Permanent Magnets Overview

In the United States, rare earths such as neodymium (Nd), samarium (Sm), and dysprosium (Dy) are used to produce ultra-strong permanent magnets. These include neodymium-iron-boron (NdFeB) and samarium-cobalt (SmCo) magnets, which offer exceptional strength-to-weight ratios, thermal stability, and resistance to demagnetisation. Their unique properties enable the miniaturisation and enhanced performance of countless high-tech devices and other advanced technologies[7].

Rare earth magnets are embedded in a wide range of consumer electronics, industrial systems, clean energy technologies, and military hardware. They are vital to electric vehicles, wind turbines, and advanced defence platforms such as fighter jets, drones, and precision-guided weapons. With China dominating global magnet production, the U.S. is actively investing in domestic rare earth extraction, processing, and downstream manufacturing to enhance supply chain security and support national strategic priorities.

While neodymium and praseodymium supply remains comparatively more stable, it is increasingly concentrated among a small number of primary producers such as MP Materials, which are exposed to both geopolitical and pricing risks. On the demand side, accelerating growth in electric vehicles, wind power, consumer electronics, and defence applications is driving sustained increases in magnet consumption, particularly for high-performance Nd-Pr magnets and heat-resistant Dy-Tb magnets.

Pricing, Supply and Demand Forecasts for Neodymium

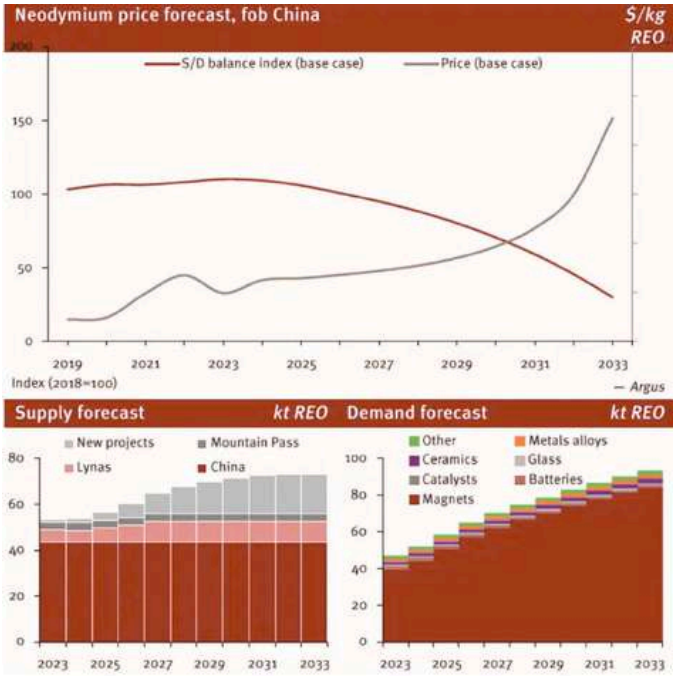


Figure 22: Neodymium price, supply and demand dynamics[19]
Source: Strategic Metals Invest

Pricing, Supply and Demand Forecasts for Praseodymium

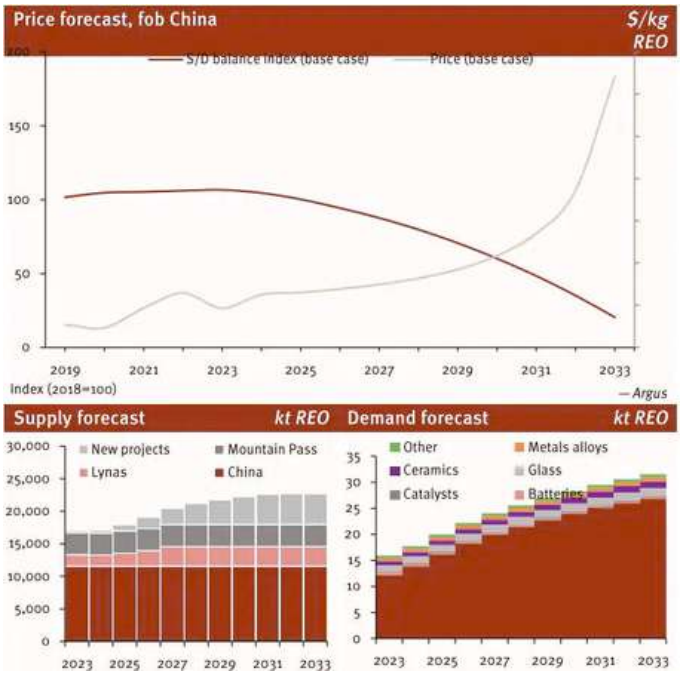


Figure 23: Praseodymium price, supply and demand dynamics[19]
Source: Strategic Metals Invest

China's export controls on medium and heavy rare earths are restricting global availability, with overseas prices for dysprosium oxide nearly tripling and terbium more than doubling after the measures were introduced. With production quotas tight, ore imports limited, and end-market demand strong, the market outlook remains firmly bullish[8]. Prices for heavy rare earths such as dysprosium and terbium are already high and volatile due to their scarcity, while even neodymium and praseodymium prices, which have shown signs of stabilisation, are supported by producer resistance to discounts and persistent cost pressures. The combination of restricted supply, geopolitical uncertainty, and robust demand is creating a long-term environment of elevated and sticky pricing[8].

Pricing, Supply and Demand Forecasts for Dysprosium

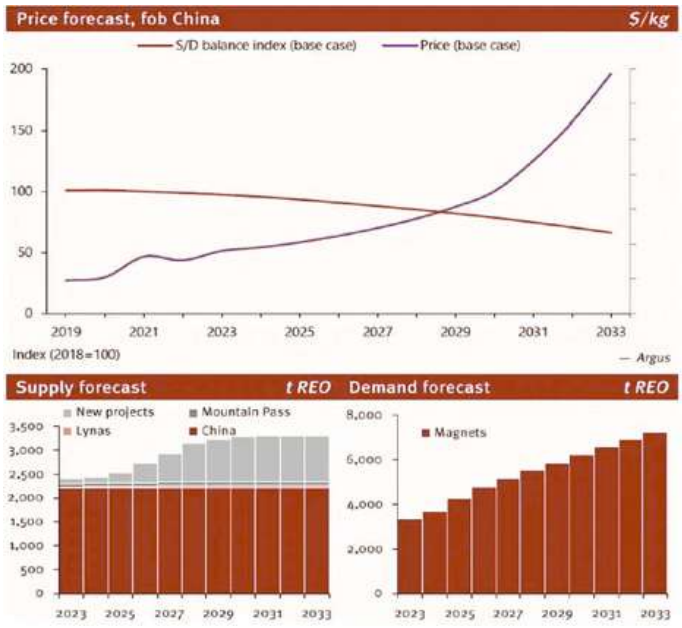


Figure 24: Dysprosium price, supply and demand dynamics[19]
Source: Strategic Metals Invest

Pricing, Supply and Demand Forecasts for Terbium

Figure 25: Terbium price, supply and demand dynamics[19]
Source: Strategic Metals Invest

Defence Applications

REEs and permanent magnets are critical to modern military technology and advancements in weapon systems and platforms due to their unique magnetic, luminescent, and electrochemical properties. Over 90% of advanced military electronics rely on rare earths for enhanced performance and precision targeting, making them indispensable for U.S. defence applications[9]. The rare earth permanent magnets, primarily made of neodymium (Nd), samarium (Sm), and dysprosium (Dy), are crucial for the miniaturisation and enhancement of motors, actuators, radar technologies, and sensors. These are embedded in critical components of fighter jets and other aircraft, submarines, precision-guided munitions, missile systems, and advanced drones[9]. The strategic significance of REEs is evident in the material requirements of these key assets. For example, an F-35 fighter jet contains around 417 kg of REEs[17], while a Virginia-class submarine requires over 4,000 kg.

Neodymium-iron-boron (NdFeB) magnets provide exceptional strength-to-weight performance and are used in drone propulsion, missile actuators, and aircraft motors. Samarium-cobalt (SmCo) magnets are valued for their thermal and magnetic stability, making them ideal for electronic warfare and guidance systems

China currently controls approximately 85% of global refined rare earth output[3], exposing U.S. defence supply chains to significant geopolitical risk and reinforcing the need for domestic and allied production capabilities.

Green Energy Applications

Green energy applications represent a major driver of REE demand, particularly in wind turbines and electric vehicles (EVs). In wind turbines, especially offshore models, permanent magnet synchronous generators (PMSGs) leverage Nd, Dy, and Pr to achieve high efficiency at low wind speeds, with each megawatt (MW) requiring up to 232 kg of NdPr[7]. Projections indicate that global wind power capacity could rise from 743 gigawatts (GW) in 2020 to 1,120 GW by 2025, necessitating substantial REE inputs. By 2030, the European Union alone may require 13 thousand tonnes of Nd and Pr for wind turbines, escalating to 69.6 thousand tonnes by 2050[7].

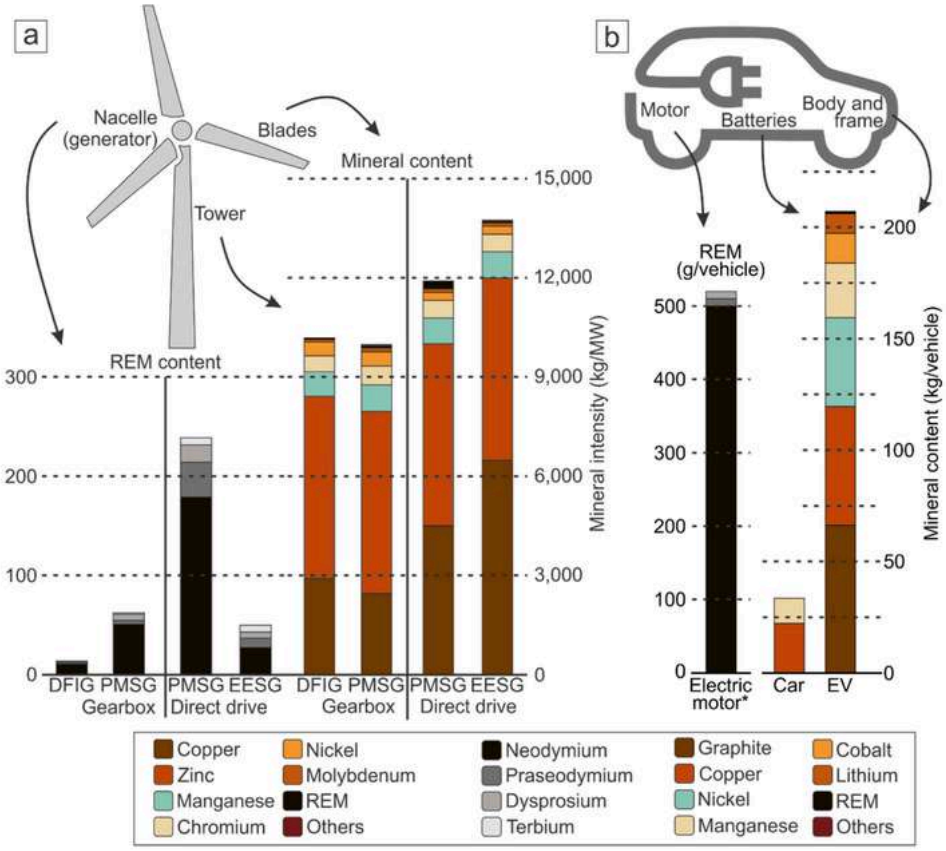


Figure 26: Rare earth metal content of wind turbines and electric vehicles. *Source: Ghorbani et al.*

Similarly, in EVs, traction motors rely on these elements for high power density and efficiency, with each battery electric vehicle (BEV) demanding 0.5–1.5 kg of Nd. Global EV sales surged from 120,000 units in 2012 to 6.6 million in 2021, projected to reach 75 million by 2040, driving a four- to seven-fold increase in demand for Nd, Pr, and Dy by 2040 compared to 2018 levels[7]. In contrast, demand for voltage rare earths, including Nd, Pr, Dy, and terbium, continues to surge as they enable high-performance miniaturised motors, robotics, and renewable energy technologies. This electrification trend supports carbon neutrality goals but exacerbates supply constraints, as the global REM magnet market is expected to grow from 10.97 billion USD in 2022 to 17.44 billion USD by 2028[7].

Beyond NdPr magnets, more abundant rare earths like cerium and lanthanum are used in catalysts for oil refining and catalytic converters, though this demand is declining with the shift away from internal combustion engines. In contrast, demand for voltage rare earths, Nd, Pr, dysprosium, and terbium, continues to surge as they enable high-performance miniaturised motors, robotics, and renewable energy technologies[6].

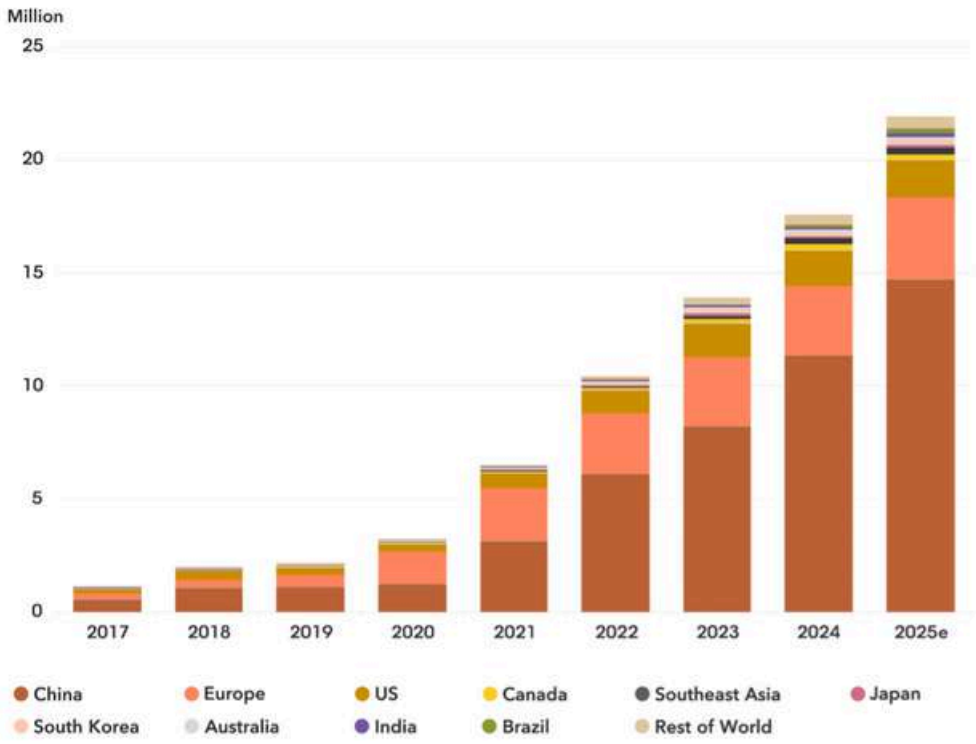


Figure 27. *Global passenger EV sales by market*
Note: Includes battery electric and plug-in hybrid passenger vehicles.
Source: BloombergNEF, MarkLines, Jato Dynamics

Chinese Rare Earth Value Chain Dominance: Risks for the U.S.

China currently controls approximately 85-90% of global processing capacity (Figure 30) and produces around 70% of mined REEs worldwide[15] (Figure 28). This dominance is reinforced by decades of state-backed investment, strict production quotas, investment in advanced separation technologies, integrated supply chains, and large-scale strategic stockpiles, creating significant leverage over global supply.

The risks of this dependency have become especially clear in 2025. On April 4, China imposed new export controls on seven rare earth elements and associated magnets, being materials that are vital to U.S. defence, energy, and automotive industries. Exporters must now obtain specific licenses and face significant customs scrutiny, with rare earth alloys, magnets, and chemical mixtures among the restricted categories[10]. These measures were explicitly implemented in retaliation for rising U.S. tariffs on Chinese goods, following a pattern seen with the 2010 Japan embargo. This event caused neodymium prices to spike by 750% within three months, demonstrating how REEs can be weaponised during geopolitical tensions[2].

Beijing's state-led manipulation of quotas, slower output growth, and tighter disclosure further highlight its willingness to weaponise rare earth supply as economic leverage during periods of geopolitical tension[11].

Highlighted in Figure 30, China maintains near-complete dominance across the entire rare earths value chain. While other countries host significant reserves, seen in Figure 29, China's strategic integration of mining, refining, separation, and downstream manufacturing, particularly for high-purity rare earth oxides and permanent magnets, has allowed it to set global price benchmarks and exert considerable geopolitical leverage[6].

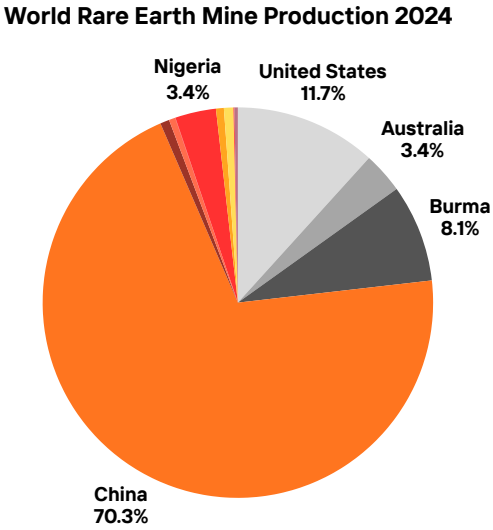


Figure 28: 2024 World rare earth mine production
Source: U.S. Geological Survey (2025) Rare Earths

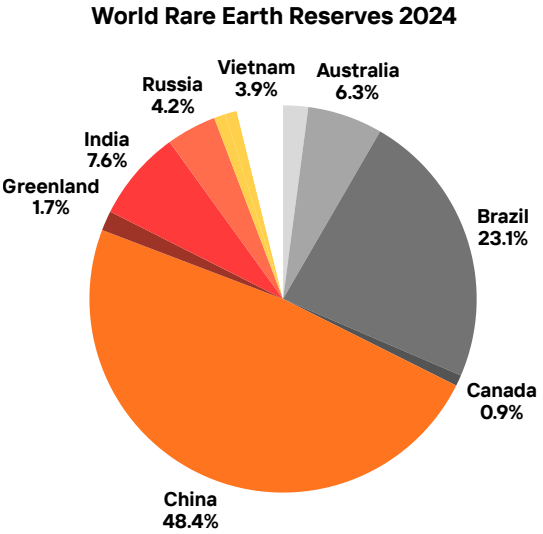


Figure 29. 2024 World rare earth reserves
Source: U.S. Geological Survey (2025) Rare Earths

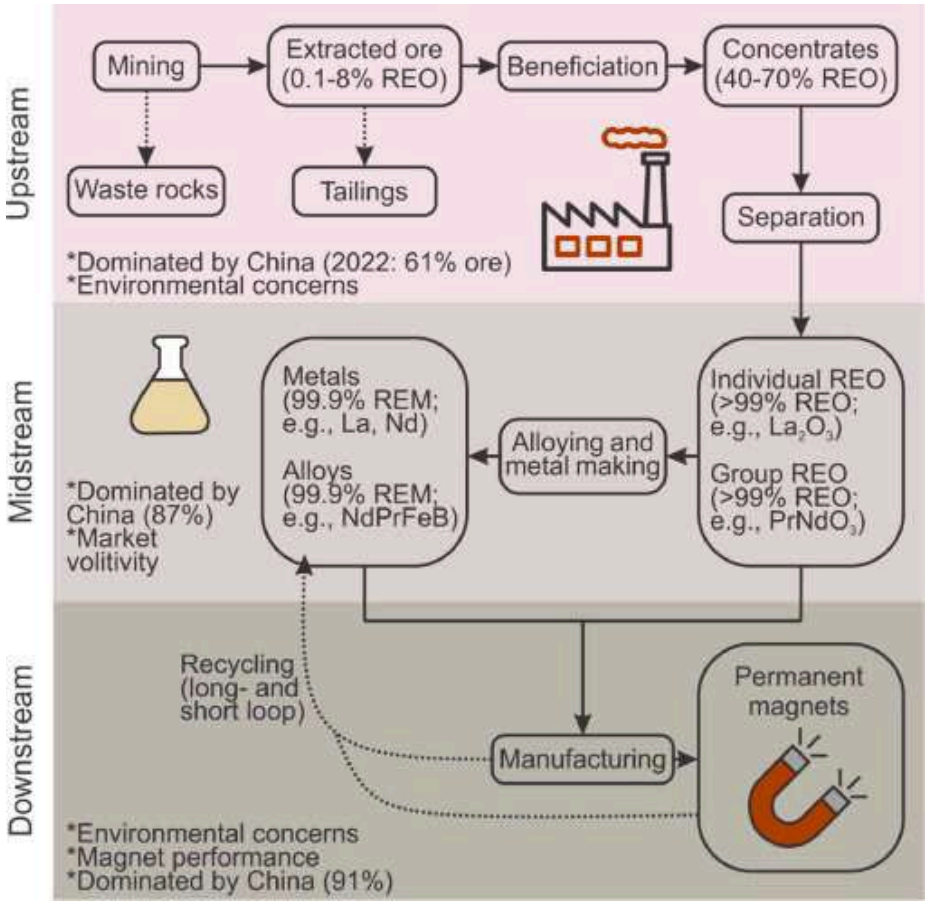


Figure 30: Global supply chain for REOs to produce permanent magnets, Source: Ghorbani et al., (2025) * Denotes current challenges associated with each of the major supply chain streams. Values for Chinese dominance are sourced from USGS (2023) and Wood Mackenzie (2022).

The United States currently lacks significant domestic REE processing and magnet manufacturing capacity and cannot quickly replace Chinese supply, posing looming risks to national security, core manufacturing sectors, and the clean energy transition. This acute vulnerability is why it is now more critical than ever for the U.S. to secure its own REE supply and accelerate the diversification of global supply chains away from China. Without swift and coordinated action, American technological leadership and defence readiness will remain at risk of disruption by future export restrictions or geopolitical shocks.

MP Materials' Federal Partnership with DoD

Source: Department of Defense

The strategic importance of securing a domestic rare earth supply chain was decisively reinforced in July 2025, when MP Materials entered into a transformational public-private partnership with the U.S. Department of Defence (DoD). Under this multibillion-dollar agreement, the DoD committed to a 10-year price floor of US$110/kg for NdPr, providing unprecedented market certainty for domestic rare earth production. The deal includes a 10-year offtake commitment for 100% of magnets produced at MP's new "10X Facility", which will serve both defence and commercial customers. In addition, the DoD will inject US$400 million in convertible preferred equity, extend a US$150 million loan to expand heavy rare earth separation at Mountain Pass, and secure US$1 billion in financing commitments from JPMorgan Chase and Goldman Sachs for the construction of the 10X Facility[12].

This partnership positions the DoD as MP Materials' largest shareholder and firmly establishes Mountain Pass as a national strategic asset, where high-purity rare earth materials are extracted, separated, and refined in one location. The agreement also supports the rapid construction of MP's second domestic magnet manufacturing facility, designed to reach 10,000 metric tons of U.S. magnet production capacity by 2028. Beyond catalysing rare earth magnet independence for the U.S., this deal demonstrates a clear federal commitment to reducing reliance on China and other foreign sources[12].

For the broader Mojave rare earth corridor, this partnership underscores the urgent national demand for NdPr as a critical input for electric vehicles, wind turbines, and advanced defence systems. It also validates the strategic positioning of Locksley Resources' El Campo prospect, located just 1.4 kilometres from MP Materials' Mountain Pass Mine, which hosts NdPr-rich mineralisation. As MP expands its downstream processing and magnet manufacturing capabilities, projects like El Campo are situated to complement and potentially supply future federal and commercial markets.

MP Materials' Commercial Partnership with Apple

Source: Apple Inc.

MP Materials has significantly expanded its role in the U.S. critical minerals supply chain through a landmark US$500 million multiyear partnership with Apple, aimed at securing American-made rare earth magnets for advanced technologies. Under the agreement, MP Materials will supply neodymium (Nd) magnets produced at its flagship Independence facility in Fort Worth, Texas, specifically for Apple products. The partnership also includes the construction of a cutting-edge rare earth recycling facility at Mountain Pass, California, enabling the recovery and reuse of rare earth feedstock from post-industrial scrap and end-of-life electronics[13].

This collaboration will enhance domestic rare earth processing capacity, create new U.S.-based magnet manufacturing jobs, and develop an advanced workforce for rare earth recycling and processing. Apple's investment reflects a broader push by global technology leaders to secure reliable, sustainable U.S. sources of critical materials, reducing reliance on Chinese supply chains.

For Locksley Resources, this expanding commercial ecosystem highlights the growing strategic value of the Mojave region. Located just 1.4 kilometres from MP Materials' Mountain Pass Mine, Locksley's El Campo prospect hosts NdPr-rich rare earth mineralisation, positioning the company within direct proximity to the only integrated rare earth supply chain in the United States. With MP Materials scaling production capacity and forging long-term technology partnerships, Locksley's NdPr exploration potential could provide a complementary feedstock source for future domestic supply agreements and downstream processing opportunities.

U.S. Strategic Positioning

Regulatory Environment and Policy Support

Locksley's position within the U.S. critical minerals ecosystem has been fundamentally enhanced by the Trump administration's aggressive policy framework supporting domestic production. The March 2025 Executive Order on critical minerals development represents a paradigm shift in federal strategy, creating unprecedented opportunities for domestic explorers.

The Executive Order accelerated the advancement of critical minerals projects by explicitly authorising funding under Title III of the Defence Production Act (DPA). This includes mechanisms such as government grants, low-interest loans, and price floor commitments to support domestic production. The Order also assigned coordination responsibilities to the newly established National Energy Dominance Council (NEDC). In addition, it mandates faster permitting timelines and streamlined environmental reviews under the National Environmental Policy Act (NEPA) for strategic projects involving critical minerals

Under this revised regulatory framework, the Bureau of Land Management has prioritised approvals for critical minerals projects and accelerated federal land leasing in high-value mineral corridors. Locksley has already materially benefited, receiving BLM approval for drilling programs at both the El Campo Rare Earths Prospect and the Desert Antimony Mine, with materially shortened timelines.

Together, these policy and permitting reforms position Locksley Resources as a leading beneficiary of U.S. efforts to secure critical mineral supply chains. The company's projects qualify for expedited permitting, streamlined environmental assessment processes, funding under Title III of the Defence Production Act (DPA), and institutional recognition under the March 2025 Executive Order. This can enhance both Locksley's investment appeal and development momentum.

Federal Funding Pathways

Multiple federal agencies offer funding mechanisms for critical minerals development, providing access to patient capital at favourable terms for projects aligned with national security objectives.

Key federal programs include:

- **Title III of the Defense Production Act (DPA)**, which supports domestic production of strategic materials through grants, loans, and offtake agreements
- **Department of Energy (DoE) grants** for critical materials R&D and downstream processing innovation
- **Department of Defense (DoD) strategic investments**, including public-private partnerships for rare earth separation and magnet manufacturing
- **Export-Import Bank (EXIM) financing**, which supports U.S.-sourced equipment and services for critical minerals projects

Locksley has made significant progress in accessing these pathways, with active applications submitted to the Department of Defense, Department of Energy, and EXIM Bank. Currently in progress, Locksley also made an application for membership with the Critical Materials Institute (CMI), reinforcing alignment with U.S. national critical minerals strategy. The Company is engaged in multiple academic and industry collaborations, including bench-scale processing R&D and downstream metallurgy. These partnerships aim to de-risk and advance value-add stages of the rare earth and antimony supply chain.

Alignment with Infrastructure Investment

The Inflation Reduction Act and related federal legislation have introduced strong incentives for domestic mineral processing and clean technology manufacturing. These programs offer production and investment tax credits, infrastructure support, and procurement preferences for U.S.-sourced materials.

Locksley is well positioned to benefit from these measures, especially if its exploration programs at El Campo and the Desert Antimony Mine result in resource delineation. Federal agencies are increasingly favouring domestic producers for strategic procurement. For example, the DoD has committed to purchasing 100% of the output from MP Materials' 10X magnet facility. This policy trend confirms that downstream U.S. projects with secure domestic feedstock will enjoy commercial advantages. Locksley's development strategy aligns well with these objectives and provides a compelling basis for future federal partnership opportunities.

Downstream Strategy

Strategy Overview

Locksley Resources is executing a comprehensive downstream strategy aimed at establishing an integrated, secure supply chain for rare earth elements (REEs) and antimony within the United States, spanning from mining to advanced materials processing. This approach emphasises the development of domestic alternatives to foreign REE processing, aligning with U.S. critical mineral policies that prioritise national security, advanced manufacturing, and resilient supply chains. The strategy is driven by broader industry trends, including the need for secure domestic sources amid geopolitical tensions and the push for electrification, clean technology, and defence resilience. Key elements include fostering valuable partnerships with U.S. federal agencies, national laboratories, academic institutions, and private stakeholders to co-develop technologies for mineral extraction, processing, and downstream applications such as e-waste management and ESG-forward refining.

Valuable collaborations focus on lab-to-market initiatives, technology commercialisation, and integration into U.S.-based supply chains, particularly through alignments with the Department of Energy (DoE)-supported Critical Materials Institute (CMI) and national labs for REE separation and antimony purification. Near-term activities encompass bench-scale metallurgical and separation test work, evaluation of integration pathways into domestic supply chains, and participation in federally supported pilot programs or feedstock supply opportunities. This strategy is underpinned by U.S. policy developments, such as President Trump's Executive Order of March 20, 2025, which mandates expedited permitting for critical minerals projects, coordination with the National Energy Dominance Council (NEDC), and prioritised access to Defence Production Act (DPA) funding. It also draws inspiration from precedents like MP Materials' multibillion-dollar Department of Defence (DoD) partnership, which includes magnet manufacturing, offtake commitments, and equity investment, highlighting the emergence of quasi-sovereign-backed supply chains in the Mojave region where Locksley's project is located.

Strategic Appointments & Leadership

To advance its downstream strategy, Locksley Resources appointed Mr. Allister Caird in May 2025 as Head of Critical Minerals Strategy. Mr. Caird possesses over 15 years of experience in geology, geophysics, and applied research, with prior service as a Senior Research Geoscientist at CSIRO, Australia's national science agency. His expertise lies in remote-area exploration, multidisciplinary project development, and critical minerals, enabling him to lead efforts in navigating federal programs, initiating collaborative research and development (R&D) partnerships, and advancing downstream processing solutions for REEs and antimony in the United States.

Complementing this leadership, Locksley engaged Viriathus Capital LLC as its U.S. strategic and capital markets advisor. Viriathus brings extensive experience with ASX-listed and U.S.-based critical minerals companies, offering insights into public-private partnerships, federal funding pathways, and investor networks. Their role includes providing strategic input on Locksley's downstream innovation roadmap, focusing on lab-to-market collaborations, clean technology licensing, and resilient U.S. supply chains.

Federal Engagement & Funding Pathways

Locksley Resources is actively pursuing engagements with key U.S. federal agencies to secure funding and strategic support for its downstream initiatives. This includes formal submissions to the Export-Import Bank (EXIM) for U.S. equipment and service integration, preparation of a FAST-41 application for federal permitting acceleration, and a DPA Title III proposal for defence-focused processing funding related to antimony and REEs. Additionally, the company is initiating collaboration discussions with the DOE and national laboratories for REE separation R&D and antimony purification.

These efforts are supported by outreach to the DoD, DOE, and EXIM Bank to explore funding pathways and alignment opportunities, particularly in the context of U.S. critical minerals policy. Locksley aims to leverage mechanisms such as Cooperative Research and Development Agreements (CRADAs), ACT agreements, and SBIR/STTR channels to facilitate these partnerships. The strategy is bolstered by recent policy shifts, including expedited exploration approvals at the Mojave Project's Desert Antimony Mine and El Campo prospect, enabled by President Trump's executive orders.

Strategic Advisory and Capital Markets Access

Viriathus Capital's advisory mandate plays a pivotal role in enhancing Locksley's access to U.S. capital markets and strategic ecosystems. This includes institutional investor introductions, implementation of a U.S. financial marketing program, and leveraging sell-side analyst networks to generate interest in the company. Viriathus also supports increased visibility within the U.S. critical minerals investment and policy landscape, utilising media and OTC investor networks to broaden the reach of company announcements.

Strategically, Viriathus will provide guidance on downstream themes such as academic-led innovation and technology commercialisation through DoE-supported networks, resilient supply chains via e-waste technologies and domestic sourcing, and positioning of antimony and REEs for energy, hardware, and national security applications.

Following the capital raise on 31 July 2025, Tribeca Capital will support Locksley as a strategic advisor. Tribeca will facilitate introductions to prospective advisory board members, technology partners, customers and relevant U.S. government funding agencies, while applying its relationships and market intelligence to strengthen Locksley's positioning in the U.S. critical-minerals ecosystem. The mandate includes identifying and evaluating downstream processing and technology collaboration opportunities to accelerate value creation, and broadening access to international investor networks and policy-aligned funding programs focused on critical-minerals independence.

Project-Level Integration and Piloting

At the project level, Locksley's downstream strategy integrates the Mojave Project's antimony and REE assets with U.S.-centric processing and piloting efforts. Integration activities include multifaceted R&D engagements for complementary technologies, such as bench-scale test work for REE separation and antimony processing enhancements. Locksley is pursuing participation in federally supported pilot programs, feedstock supply opportunities, and collaborations with U.S. laboratories, universities, and downstream partners. These initiatives focus on mining technologies for mineral extraction, ore processing, and e-waste management, aiming to create secure pathways from mine to advanced materials while aligning with industrial, consumer, and defense innovations.

Outlook for Downstream Strategy

The outlook for Locksley's downstream strategy is optimistic, positioned to capitalise on accelerating U.S. federal support and industrial policy for critical minerals. With a focus on advancing federal grant funding, R&D initiatives, and strategic collaboration agreements with academic and industry partners, the company aims to develop U.S.-centric beneficiation and value-adding processes for antimony and REEs. Enhanced capital market engagement via the OTCQB will build investor awareness as exploration, drilling, and policy milestones progress.

This strategy is expected to unlock the Mojave Project's potential as a scalable source for U.S. industrial and defense sectors, fostering synergies with adjacent operations like Mountain Pass and contributing to national supply chain resilience.

Peer Comparison

Company	Ticker	Market Cap	EV	Cash Position (MRQ)	Cash as % of Market Cap	Location	Key Project	Key Project Stage	Key Project REE or Sb Grade (%)
Locksley Resources Ltd	**ASX:LKY**	**A$55M**	**A$49M**	**A$6M**	**10.90%**	**California, U.S.**	**Mojave Antimony & REE**	**Exploration**	**Up to 46% Sb & 12.1% TREO**
MP Materials Corp.	NYSE:MP	US$12.03B	US$12.37B	US$753.66M	6.30%	California, U.S.	Mountain Pass REE	Production	6% TREO over life-of-mine
American Rare Earths Ltd	ASX:ARR	A$202.34M	A$192.98M	A$9.36M	4.60%	Wyoming, U.S.	Halleck Creek REE	Exploration & Development	JORC: 2.63 Bt at 0.329% TREO. Up to 1.37% TREO
Dateline Resources Ltd	ASX:DTR	A$675.11M	A$664.99M	A$10.12M	1.50%	California, U.S.	Colosseum Gold/REE	Advanced	-
Metallium Ltd	ASX:MTM	A$371.27M	A$363.94M	A$7.34M	2%	Quebec, Canada	Pomme REE	Exploration	Up to 1.58% TREO
Trigg Minerals Ltd	ASX:TMG	A$113.63M	A$110.28M	A$3.35M	2.90%	1. NSW, Australia 2. Utah, U.S.	1. Achilles Antimony 2. Antimony Canyon	Exploration	1. Achilles JORC: 1.52Mt at 1.97% Sb 2. Antimony Canyon: Up to 33.2% Sb
Resolution Minerals Ltd	ASX:RML	A$74.26	A$73.09M	A$1.17M	1.60%	Idaho, U.S.	Horse Heaven Project Antimony	Exploration	Up to 19.15% Sb
EV Resources Ltd	ASX: EVR	$24.50M	A$24.21M	A$987K	4%	Oaxaca, Mexico	Los Lirios Antimony	Exploration	Average 4.45% Sb Up to 62.99% Sb (grab sample)
Equinox Resources Ltd	ASX:EQN	A$11.66M	A$9.81M	A$1.85M	15.90%	British Columbia, Canada	Alturas Antimony Project	Exploration	Up to 69.98% Sb

Table 1. *Source: Company disclosures and Peak Asset Management*

Peer Comparison Analysis

Peers were selected based on overlapping commodities, stage, and jurisdiction, so differences in market cap or resource size do not dominate. The focus is on funding strength, jurisdictional quality, infrastructure leverage, and near-term catalysts, rather than declared resources, given Locksley's early exploration status with approvals in place and drilling scheduled for September 2025.

The strategic location of the Mojave project, inside a U.S. critical-minerals corridor only 1.4 kilometres from MP Materials' Mountain Pass mine, gives proximity to existing processing infrastructure that few juniors can match. With A$6 million in cash, an enterprise value of approximately A$49 million, and cash at roughly 11% of market cap, there is reasonable downside protection for an explorer, with capacity to support the maiden program and deliver catalysts without near-term dilution. The dual exposure to antimony and rare earths creates multiple pathways to strategic partners and non-dilutive funding if technical results from September and subsequent work are positive.

Locksley vs REE peers

ARR (American Rare Earths: Halleck Creek, Wyoming)

- Halleck Creek carries genuine scale with a 2.63 Bt JORC resource containing 8.64 Mt TREO. The project benefits from nearby infrastructure, a skilled workforce, and test work indicating conventional processing routes that may lower costs. ARR's other U.S. REE projects include La Paz, Arizona (current JORC resource 170 Mt with work targeting ~742–928 Mt), Beaver Creek, Wyoming (reported TREO grades 5.8–13.9% with NdPr 1.0–2.2%), and Searchlight, Nevada (about 30 km east of Mountain Pass).

MTM (Metallium / MTM Critical Metals: Pomme, Quebec)

- Option to acquire 100% of the Pomme REE/Nb carbonatite adjacent to Montviel, with the option extended to 21 October 2025 and a strategic review underway. No exploration or field activities were undertaken in the quarter ended 30 June 2025 as the company has focussed capital on commercialising its Flash Joule Heating technology in the U.S. The company is continuing to evaluate monetisation or partnering opportunities for its mineral projects consistent with this near term focus. The Pomme Project remains highly prospective, located ~7 km from the Montviel deposit (266 Mt at 1.45% TREO). Historic drilling at Pomme intersected 478 m of carbonatite mineralisation from 25 m depth, returning grades of up to 1.58% TREO and 0.19% Nb. However, Metallium is currently a U.S. clean-tech commercialisation play rather than a current direct comparable REE explorer.

DTR (Dateline Resources: Colosseum, California)

- Later-stage California gold project with emerging REE exploration approximately 10km from Mountain Pass. DTR's Colosseum project hosts a JORC 2012 Mineral Resource of 27.1 Mt at 1.26 g/t Au for 1.1 Moz, with >67% in Measured & Indicated and a BFS underway. Recent MT–gravity integration defined six high-priority breccia-pipe targets. Dateline's upcoming drill program in September is designed to test high-priority REE and gold anomalies.
- Both LKY and DTR benefit from California jurisdiction near Mountain Pass. Dateline brings a defined gold resource and is pre-discovery on REE with first REE-focused drilling about to begin. Locksley is earlier stage overall but is adjacent to Mountain Pass and has September scheduled REE drill targets at El Campo.

Locksley vs Sb peers

EVR (EV Resources: Los Lirios Antimony, Oaxaca, Mexico)

- EVR holds a 70% interest in the high-grade Los Lirios project in Mexico. The project is early stage and the company has a small treasury of only A$0.987m cash. Composite metallurgical sampling returned 4.45% Sb with exceptionally low impurities. Mineralogy is dominated by stibiconite (69.5%) and stibnite (30.5%), both fully liberated and suited to low-cost gravity processing, with planning underway for a 100 tpd pilot plant. EVR has launched an exploration program (from 18 Aug 2025) to trench and sample across a ~7 km strike, with trenching results expected by late October and a December-quarter drilling program planned to quantify scale and continuity.

EQN (Equinox Resources: Alturas Antimony, British Columbia, Canada)

- EQN holds a 12-month option to acquire 100% of the historic high-grade Alturas project covering three tenements (~3km²) with historical production averaging 57.2% Sb. Permitting includes a Multi-Year Area-Based Notice of Work for drilling, IP and geochem over 7 km², plus a separate bulk-sample permit of up to 10,000 t in progress. LiDAR is complete to refine targets along a 1.5km stibnite shear. Rock chips report up to 69.98% Sb, with many above 45%. The option has been extended to March 2026, with first drilling and bulk sampling planned once final permits are in place. Modest cash (~A$1.85m).

TMG (Trigg Minerals: Antimony Canyon, Utah, U.S.)

- Mixed-jurisdiction explorer with Achilles Antimony in NSW (JORC 1.52 Mt at 1.97% Sb) and Antimony Canyon in Utah, where maiden work returned multiple outstanding channel samples including 1.5m at 33.2% Sb and numerous samples above 10% Sb. Planned Utah activities include further mapping of priority targets, geophysical surveys to trace extensions, and preparing initial drill sites to test high-priority zones.

RML (Resolution Minerals: Horse Heaven Project, Idaho, U.S.)

- RML announced commencement of Phase 1 of its Horse Heaven Gold-Antimony-Tungsten Project drill program on 18 August 2025 with a small cash base of ~A$1.17m. The program involves 3,000m of diamond core drilling over approximately 9 holes with an average target depth of 300m per hole. High-grade antimony results have been reported of up to 19.15% Sb. U.S. location is positive for policy alignment and potential federal engagement.

Although Locksley's Desert Antimony and El Campo projects are in early exploration, it has BLM approvals in place, an expanded Plan of Operations (~2,180 m RC across 13 holes from 11 pads), and drilling scheduled to commence in the September 2025 quarter. Locksley has a jurisdictional edge being a U.S. domestic project in a tier-1 permitting regime with demonstrated policy alignment. Proximity to Mountain Pass and U.S. downstream players offers practical engagement, logistics, and partnering advantages that Mexico and Canada projects do not have, and that U.S. peers in Utah or Idaho cannot match for infrastructure adjacency.

If September drilling delivers successful RC intercepts that demonstrate thickness, continuity, and grade at Desert Antimony, the story moves from surface rock chips to subsurface mineralisation. In a tier-1 U.S. corridor, validated antimony or REE mineralisation is likely to draw interest from defence, energy, and technology supply chains, as well as processors and funding channels, creating strategic options beyond conventional equity. This optionality underpins Locksley's potential to close the valuation gap quickly once results are delivered.

The follow-through catalysts are clearly defined for Locksley. Expanded POO approvals, staged drill results through Q4, and ongoing target definition work provide several opportunities for value recognition within a single reporting cycle. Few peers combine U.S. jurisdiction, dual exposure to antimony and REE, proximity to processing infrastructure, and near-term drilling. With a cash position sufficient to execute the program and a modest EV relative to larger, more fully priced peers, positive drilling outcomes at both the Desert Antimony Mine and El Campo REE projects offer higher near-term result leverage if the programs deliver continuity and grade.

SWOT Analysis

Strengths	Weaknesses
• Strategic proximity to Mountain Pass Mine and established infrastructure • Exceptional surface grades for both antimony and rare earth elements • Dual-commodity exposure providing diversification and multiple value drivers • Strong regulatory position with approved drilling programs and BLM support • Experienced management team with relevant expertise and track record	• Early-stage exploration with no established mineral resources • Small market capitalisation limiting institutional investor participation • Dependence on external factors including commodity prices and federal policy • No revenue generation or cash flow from operations
Opportunities	**Threats**
• Federal policy support creating unprecedented opportunities for domestic producers • Potential partnerships with MP Materials leveraging proximity and infrastructure • Multiple funding pathways through federal programs and strategic investors • Downstream integration opportunities in processing and manufacturing • Market expansion through dual-listing and U.S. investor engagement	• Exploration risk with potential for unsuccessful drilling outcomes • Commodity price volatility affecting project economics and investor sentiment • Regulatory changes reducing federal support for critical minerals development • Competition from established producers and other exploration projects • Environmental and permitting challenges despite current favourable regulatory environment

Table 2. *Source: Peak Asset Management*

Risks & Rerating Catalysts

Top 5 Investment Risks (Ranked by Likelihood & Impact)

1. Exploration Risk (High Likelihood, High Impact)
The fundamental risk for any pre-resource exploration company centres on drilling results failing to confirm surface sampling or extend mineralisation to economically viable scales. Despite exceptional surface grades, subsurface geology may not support the continuity required for economic development.

2. Commodity Price Volatility (Medium Likelihood, High Impact)
Both antimony and rare earth element markets remain subject to significant price volatility driven by geopolitical developments, Chinese policy changes, and macroeconomic factors. Current elevated pricing may not persist through project development timelines.

3. Regulatory and Political Risk (Low Likelihood, High Impact)
Changes in federal administration or policy priorities could reduce support for domestic critical minerals development. Environmental challenges or permitting delays could significantly impact project timelines and economics.

4. Financing and Capital Access (Low Likelihood, Medium Impact)
A $6m cash position puts the company in a position of significant strength. However, if additional funding for sustained exploration and potential development across downstream initiatives is needed during a time of market weakness or poor drilling results, this could occur on terms that are dilutive and unfavourable for shareholders.

5. Operational and Execution Risk (Low Likelihood, Medium Impact)
As an early-stage explorer, Locksley faces execution risks in advancing from exploration success toward potential development. Unforeseen technical challenges or cost inflation could complicate project advancement and place additional pressure on management's ability to deliver.

Top 5 Rerate Catalysts

1. El Campo REE RC drilling outcomes near Mountain Pass:
Intercepts that confirm down-dip and along-strike continuity of high-grade TREO, particularly NdPr, would be pivotal. With MP Materials' NdPr supply chain supported by a US$400 million investment from the U.S. Department of Defence and a US$500 million Apple commitment, strong NdPr results at El Campo would likely ignite a sharp market reaction, including a rapid rerating, heavy trading volumes and headline attention.

2. Desert Antimony RC drilling outcomes: Intercepts demonstrate thickness, continuity, and grade would move the project from surface sampling to defined subsurface mineralisation and support work toward a JORC Exploration Target. High-grade intercepts and progression toward a maiden antimony resource would induce a similar market reaction to that of high NdPr intercepts.

3. Non-dilutive U.S. Government funding wins:
Progress under the 13 Aug 2025 US$1 billion DoE programs, DPA Title III/DoD pathways, EXIM support, or CMI membership acceptance would lower financing risk and signal federal alignment. This would be very powerful for a U.S. domestic antimony/REE story.

4. Commercial route validation (MOUs, offtake, tolling, or pilot processing)
Any deal that shows a clear path to processing and sales, such as tolling trials, pilot runs, or offtake talks with U.S. partners, would lower perceived upfront capital and market access risks and make the location advantage clear.

5. Cornerstone strategic partner or JV:
A binding strategic investment or joint venture with a major U.S. downstream player or processor (for example, a magnet maker or an MP Materials–adjacent counterparty) would validate the asset, secure a development pathway, and unlock integrated processing options. Strategic capital like this could drive immediate rerating as it de-risks funding and commercialisation in one step.

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