



<b>Company</b>	<b>Focus Xplore plc (LON:FOX)</b>
<b>Sector</b>	<b>Early-stage strategy energy critical mineral exploration</b>
<b>Location</b>	<b>Ontario, Canada</b>
<b>Market Value</b>	<b>£956.84k (24 February 2026)</b>

## Investment case

<p><b>Positive macro backdrop</b></p>	<p>Focus Xplore is targeting discoveries across a suite of strategically important energy and critical minerals. Its focus on uranium, lithium, and REEs aligns it with major global trends and markets where demand growth is far outpacing supply.</p> <ul style="list-style-type: none"> <li>• Uranium: Years of underinvestment have created a structural deficit expected to widen to roughly 130Mlbs by 2040 as global nuclear generation expands. In the USA, the EIA has warned of a supply gap over next decade.</li> <li>• Lithium: Demand from clean technologies is forecast to grow fivefold by 2040, led by EV adoption.</li> <li>• REEs: Critical for EV motors and wind turbines, REE demand is set to grow strongly through 2030 amid tightening global supply chains.</li> </ul> <p>Together, these markets provide tailwinds that can transform early discoveries into valuable assets.</p>
<p><b>Focus on the right jurisdiction</b></p>	<p>Focus Xplore is also focusing its efforts on the correct location. Ontario, Canada, is a Tier-1 mining jurisdiction and one of the world’s most attractive regions for mineral investment with established policy establishing provincial government support for development of critical minerals opportunities and domestic processing infrastructure.</p> <p>Ontario is home to 36 active mines and 30 major exploration projects, producing \$15.7bn worth of minerals in 2023, including \$6.4bn of critical minerals. The province is noted for its strong permitting framework, transparent governance, and extensive geological database.</p> <p>This setting lowers exploration hurdles and could potentially command a valuation premium for any discoveries Focus Xplore makes.</p>

### **AI-first approach to exploration**

Focus Xplore is pioneering an AI-driven exploration model through its alliance with Planetary AI, using the Xplore system first developed in 2011 by IGS (International Geosciences Services) Ltd, a commercial spin out from the British Geological Survey.

Together they have been building a bespoke “AI Discovery Engine”. This is an AI system integrating advanced machine learning with geological expertise built in to apply ‘Big Data’ sources to analyse data in novel ways to identify mineral targets more efficiently than by traditional approaches.

Planetary AI’s Xplore system draws on data from over 57 deposits across 45 countries, creating prospectivity maps that blend machine-driven analytics with human geological insight. This so-called “glass box” approach enhances identification of opportunities and reduces exploration risk for Focus Xplore.

### **Competitive edge across large portfolio of claims**

By combining AI capability with one of Ontario’s largest critical-mineral property portfolios, Focus Xplore has built a strong foundation for discovery in the territory:

- Machine-learning analysis of >35,000 geochemical data points has generated new target zones overlooked by traditional methods.
- LiDAR imaging has revealed previously unseen geological features, identifying pegmatitic intrusions prospective for lithium and REE mineralization.
- Hyperspectral imaging has mapped spectral signatures consistent with pegmatite systems, validated on the ground through confirmed pegmatite discoveries exactly where AI predicted them.

This proven correlation between AI models and field results gives the company high confidence in its expanding target pipeline. Focus’s current portfolio includes:

- Bay Road: 425-hectare property just south of the White Otter Batholith, covering six kilometres of felsic intrusive rock linked to highly anomalous REE values in lake sediments.
- Iva: Centred on anomalous lithium, caesium, and beryllium sediments along a granite-metasediment contact, an ideal setting for LCT pegmatites. Nearby lithium projects.
- Oba: Multiple untested pegmatites mapped in the 1970s within a large felsic intrusion.
- White Pine: 14 km radiometric anomaly coinciding with uranium-rich lake sediments (up to 149 ppm uranium). Analogous setting to intrusive-style deposits such as Rössing in Namibia.

- Pearl: Untested pegmatite-like structures identified via LiDAR and confirmed by anomalous lithium in nearby lake sediments.
- Ellie: Along trend from a felsic dyke with anomalous lithium, beryllium, and niobium in lake sediments.
- Burrows Projects: Three underexplored licences in a region outlined by the Ontario Geological Survey as prospective for lithium. Historic drilling within 2 km intersected pegmatites that were never assayed.

These assets, together with AI-driven regional coverage, give Focus a meaningful first-mover advantage in applying advanced analytics to one of the world's most prospective and underexplored critical-mineral terrains.

### Well capitalised for initial exploration

Focus recently raised £387,000 in cash through a share issue at 0.04p, plus a further £57,000 in shares to settle fees. This gives it the capital to deploy its AI tools and begin ground validation work.

While additional funds will likely be needed for drilling should discoveries be made, early investors are entering at a 1.39m market cap, positioning them for strong leverage to discovery success.

Likewise, the recent raise included warrants; issued 1 for every 2 shares at 0.07p (for 2.5 years) and 1 for every 2 shares at 0.1p (for four years).

That's some 1.2 billion warrant shares in total, which could create fairly significant dilution against Focus Xplore's current total issued share capital of nearly 3.5 billion shares. However, it also represents a potential source of funding locked in at an accretive issue price for those who invest today.

Indeed, in total, the warrants could raise some c.£0.9m of additional funds if all exercised – a significant figure compared with the company's current market cap.

### Experienced board

Led by Patrick Cullen, Focus Xplore's management brings decades of technical and leadership experience.

Following an early career at mining majors, Cullen has held senior roles at explorers Tertiary Minerals, Arkle Resources, Montero Mining, and African Energy Resources, spanning exploration, development, and corporate management.

Directors now hold 5.7% of the company's shares following the recent raise – a solid sign of early alignment with shareholders.

	<p>It would be good to see this commitment continue as the company grows, displaying confidence from management and a willingness to align themselves with shareholders.</p>
<p><b>Positioned for re-rate on positive news</b></p>	<p>With a market capitalization of £1.39m, Focus Xplore sits firmly at the ultra-early end of the exploration spectrum. This is a position that brings both risk and significant upside potential.</p> <p>The company has, to date, struggled to fully shake the legacy associations of its former identity as Katoro Gold, which focused on African gold and nickel exploration under a completely different management team. That historic baggage appears to have weighed on sentiment and contributed to a deep discount currently placed on the shares.</p> <p>However, the re-launch of the company under new leadership, with a clear strategic shift to Canadian critical-minerals exploration and a cutting-edge AI-driven approach, makes it effectively a new entity.</p> <p>Should Focus Xplore deliver even modest early results – such as verified mineralisation or high-priority drill targets – the market could begin to re-rate rapidly from today’s depressed base. Consider the fact the firm’s post-raise cash balance alone covers a third of its valuation.</p> <p>In this sense, the legacy discount could become the catalyst for an outsized revaluation once tangible exploration progress and outcomes of the AI-driven focus are demonstrated.</p>

## Potential Share Price Drivers

### AI-generated target expansion

Focus and Planetary AI continue to process new datasets across Ontario, with results expected to expand and refine exploration targets.

**Watch for:** News of additional high-priority target zones or new property acquisitions identified by AI analysis.

### Fieldwork and ground validation

Follow-up sampling, mapping, and early trenching programs will help verify AI predictions and prioritise targets for drilling.

**Watch for:** Assay results, target mapping, or surveys confirming surface mineralization.

### Discovery and drilling milestones

Once fieldwork supports strong anomalies, Focus could begin trenching and scout drilling; the key catalyst in any exploration story.

**Watch for:** Announcements of drilling plans, joint ventures, or early intersections.

## Strategic partnerships and funding events

Ongoing engagement with Planetary AI and potential new exploration partners could further validate Focus's model and fund expansion.

**Watch for:** Collaboration agreements or capital raises at higher valuations.

## Risk Factors

### Early-stage exploration

Focus Xplore remains a pre-discovery explorer. It's essentially a prospect generator. While the potential upside is significant, there is a high probability that initial targets may not host economic mineralization.

### Dilution risk

Like most junior explorers, the company will likely need to raise additional funds before drilling. Without discovery success, this could lead to dilution without corresponding value creation.