

Stock Commentary

Subject: Kaiser Reef Limited

Eagerly Awaited Drilling Campaign at Maldon About to Commence

Drilling targeting depth extensions to multiple, known, open, high-grade shoots, in close proximity to fully mining permitted workings, within 3km of the Maldon Mill

Background

Kaiser Reef Limited (ASX:KAU) announced earlier this week that it has mobilised a drilling team and underground drilling rig to commence a two month in-mine exploration drilling campaign on its tenements covering the very high-grade Maldon Goldfield.

We welcome this announcement and have strongly felt the need to compile this Stock Commentary to highlight the significant importance of this imminent drilling campaign, which has the potential, if successful, to be a “game changer” for the Company and its operations.

Advantageously operating from within the modern (1990’s developed) Union Hill Decline, with air, power and water services already established, the drilling will test multiple high grade shoot extensions within close proximity to existing workings.

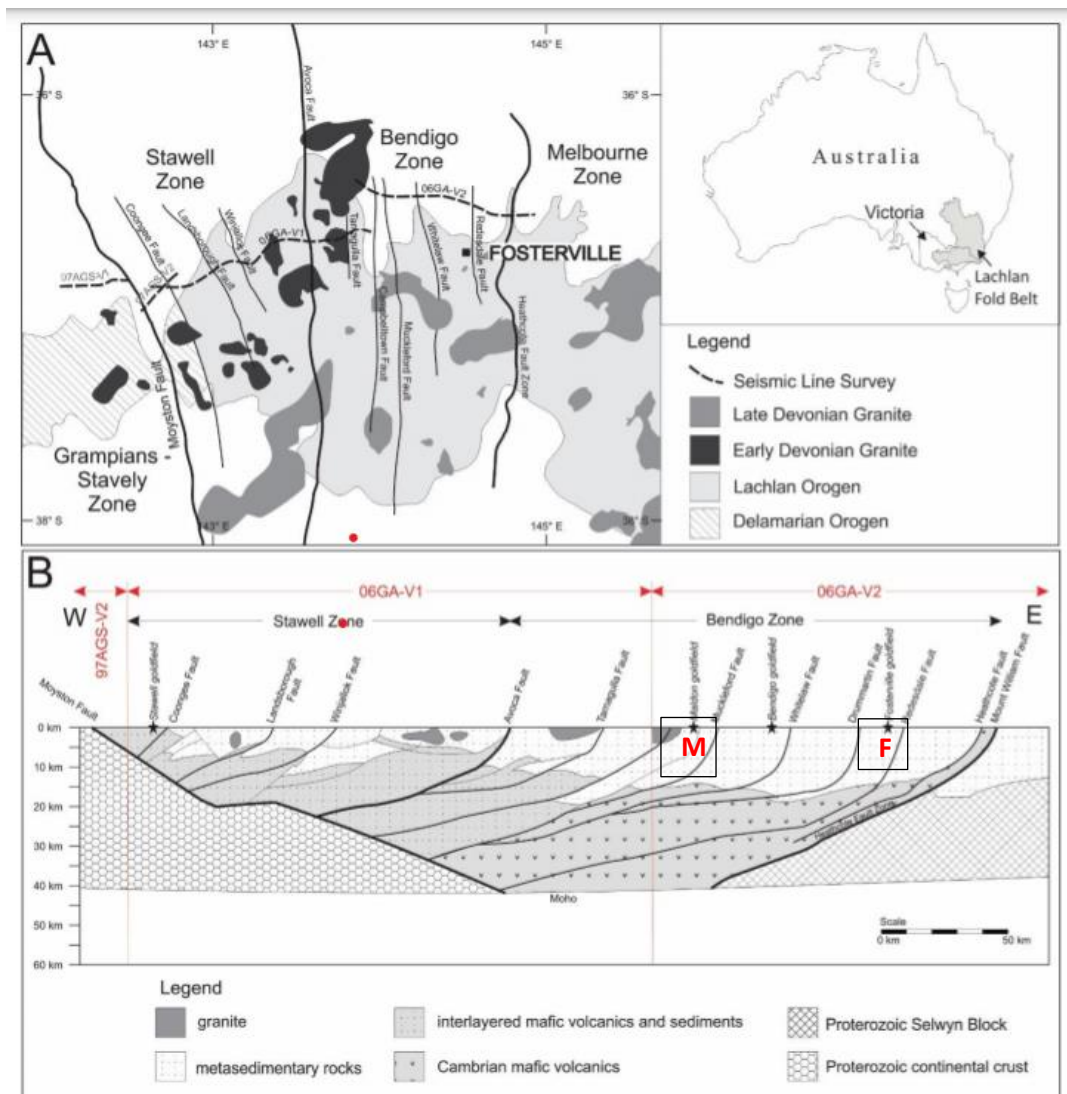
Unmined intercepts demonstrating the open nature of multiple lodes/reefs include and are not limited to:

- **0.90m @ 103.0 g/t gold**
- **2.73m @ 42.2 g/t gold**
- **2.75m @ 22.6 g/t gold**
- **0.44m @ 205.0 g/t gold**
- **2.00m @ 58.0 g/t gold**
- **2.30m @ 12.5 g/t gold**
- **0.83m @ 80.0 g/t gold**
- **1.0m @ 45.5 g/t gold**
- **3.55m @ 11.9 g/t gold**
- **2.95m @ 18.5 g/t gold**
- **0.85m @ 114.6 g/t gold**

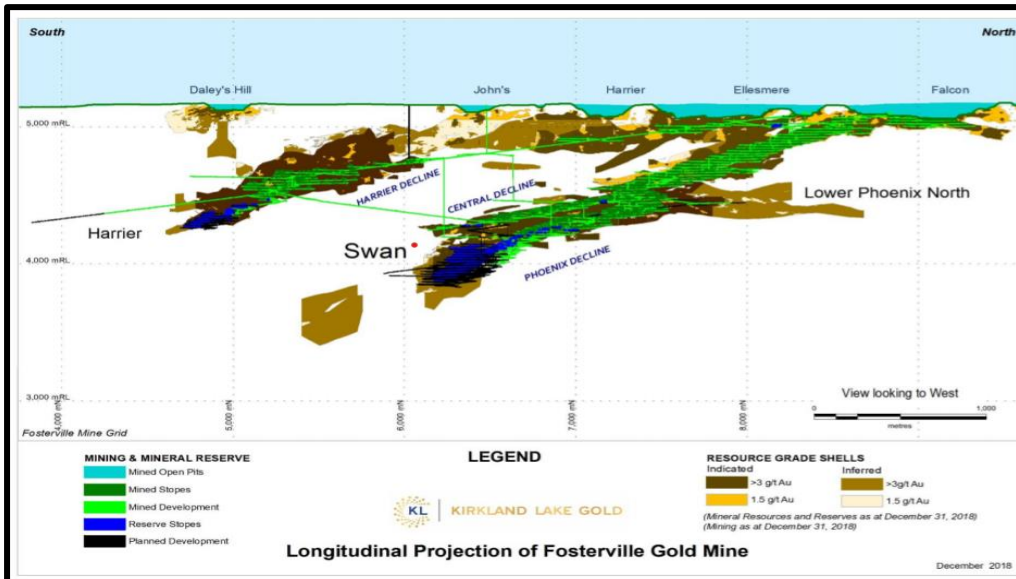
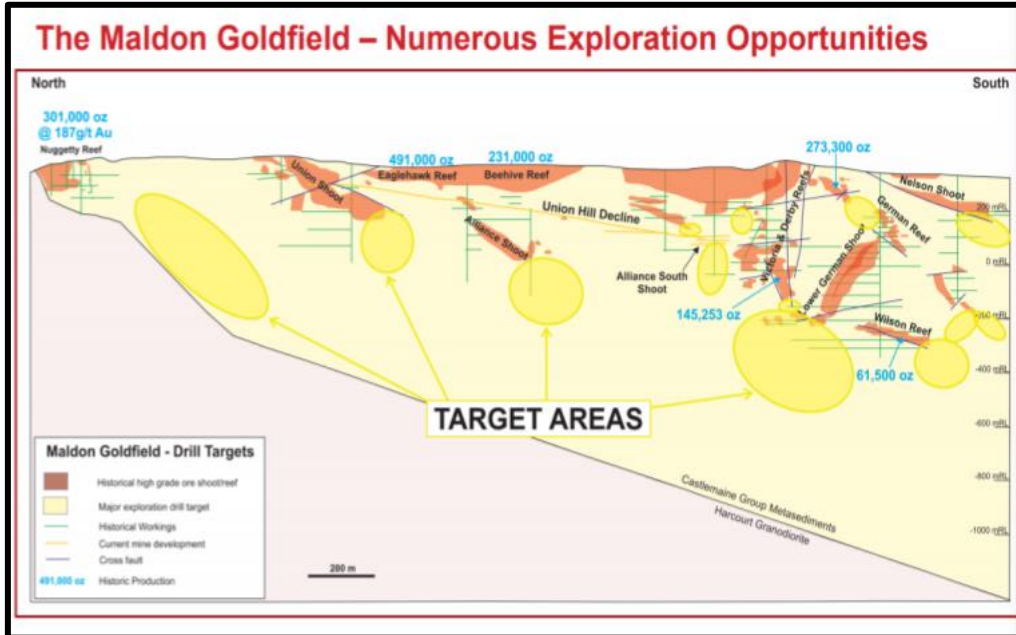
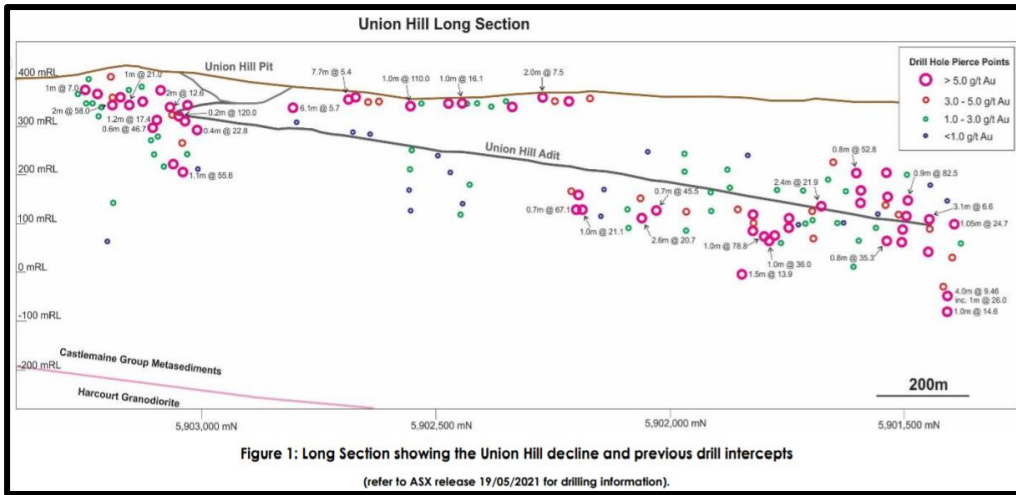
Key Takeaway Points From This Announcement

1. Firstly, **we strongly encourage the reader of this Stock Commentary to obtain a copy of our full research report dated 19th February 2021. In particular, we flag pages 7 to 9 for a more detailed and fuller commentary on the Maldon Goldfield** expressing our strong view that Maldon presents itself as an outstanding, massively under explored opportunity for the Company, advantageously located within 3km from the Company’s Maldon Mill.
2. We have been eagerly awaiting this announcement for some time and welcome the imminent commencement of this very exciting program which opens up a whole new exploration angle and provides another compelling reason why one should consider an investment in KAU as the Company continues to successfully ramp up its gold production.

3. Astonishingly, despite Maldon having historically produced in excess of 1.75Moz at nearly 1 ounce of gold per tonne (28gpt) from a series of still open plunging shoots demonstrated by multiple unmined high-grade intercepts, the field has not seen any significant production since the mid 1800's with only a small, notable, +55koz, pulse of production activity in the 1980-90's occurring. Putting that production into perspective in terms of grade, nearby Kirkland Lake's Fosterville mine reported head grade of similar tenure i.e. circa 1oz per tonne for its 2020 production. Exploration over the Maldon field has fared little better, with multiple high grade and what we would consider very high grade intercepts never followed up historically by previous owners.
4. We note whilst localised geology somewhat differs in both fields, both Maldon and Fosterville occur geologically in the Bendigo Zone (Domain) adjacent to similar structurally important faults extending to the basement. Below is a diagram sourced from the publicly published 2018 Kirkland Lake NI 43-101 Independent geologists report which highlights the similar regional geological settings of Maldon (Marked as "M") and Fosterville (Marked as "F") from within the Bendigo Zone.



5. Below are two long sections of KAU's 100% owned Maldon Goldfield, the first highlighting pierce points of significant high grade intercepts and the second highlighting the known open plunging lodes with recognised targets. In comparison below those, is a long section of the Fosterville mine sourced from the 2018 publicly published Kirkland Lake NI 43-101 Independent geologists report, which shows remarkably similar looking north-south plunging reef structures plunging in the same direction.



6. Below is an extract from our research report which we believe to be particularly relevant to this announcement:

If there was one quote that we have seen that we believe highlights the still outstanding prospectivity of the Maldon Goldfield we think KAU's Independent Geologist summed it up very well by saying, *"Modern Exploration concepts which have resulted in significant discoveries of high grade/tonnage gold in the Victorian Goldfields such as Fosterville* have not yet been applied to the Maldon Goldfield"*

***Fosterville Gold Mine (Kirkland Lake) located in the adjacent Bendigo Goldfield in 2020 produced 640,467oz at a head grade of 33.9gpt**

Disclaimer & Disclosure of Interests: This stock commentary is provided by Peloton Capital Pty Ltd (Peloton) (ABN 22 149 540 018, AFSL 406040) and is general in nature. It is intended solely for the use of wholesale clients. This stock commentary must not be copied or reproduced, or distributed to any person, unless otherwise expressly agreed by Peloton. This document contains only general securities information or general financial product advice. The information contained in this stock commentary has been obtained from sources that were accurate at the time of issue, including the company's ASX releases which have been relied upon for factual accuracy. The information has not been independently verified. Peloton does not warrant the accuracy or reliability of the information in this stock commentary. The stock commentary is current as of the date it has been published.

In preparing the stock commentary, Peloton did not take into account the specific investment objectives, financial situation or particular needs of any specific recipient. The stock commentary is published only for informational purposes and is not intended to be personal financial product advice. This stock commentary is not a solicitation or an offer to buy or sell any financial product. Peloton is not aware whether a recipient intends to rely on this stock commentary and is not aware of how it will be used by the recipient. Before acting on this general financial product advice, you should consider the appropriateness of the advice having regard to your personal situation, investment objectives or needs. Recipients should not regard the stock commentary as a substitute for the exercise of their own judgment.

The views expressed in this stock commentary are those of the analyst/author named on the cover page. No part of the compensation of the analyst is directly related to inclusion of specific recommendations or views in this stock commentary. The analyst/author may receive compensation partly based on Peloton revenues as well as performance measures such as accuracy and efficacy of recommendations, stock commentaries and research reports.

Peloton believes that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made at the time of its compilation in an honest and fair manner that is not compromised. However, no representation is made as to the accuracy, completeness or reliability of any estimates, opinions, conclusions or recommendations (which may change without notice) or other information contained in this stock commentary. To the maximum extent permitted by law, Peloton disclaims all liability and responsibility for any direct or indirect loss that may be suffered by any recipient through relying on anything contained in or omitted from this stock commentary. Peloton is under no obligation to update or keep current the information contained in this stock commentary and has no obligation to tell you when opinions or information in this stock commentary.

Peloton does and seeks to do business with companies covered in research. As a result, investors should be aware that the firm may have a conflict of interest which it seeks to manage and disclose.

Peloton and its directors, officers and employees or clients may have or had interests in the financial products referred to in this stock commentary and may make purchases or sales in those the financial products as principal or agent at any time and may affect transactions which may not be consistent with the opinions, conclusions or recommendations set out in this stock commentary. Peloton and its Associates may earn brokerage, fees or other benefits from financial products referred to in this stock commentary. Furthermore, Peloton may have or have had a relationship with or may provide or has provided, capital markets and/or other financial services to the relevant issuer or holder of those financial products.

Copyright: Peloton Capital Pty Ltd, 2021. All rights reserved.