

## 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.

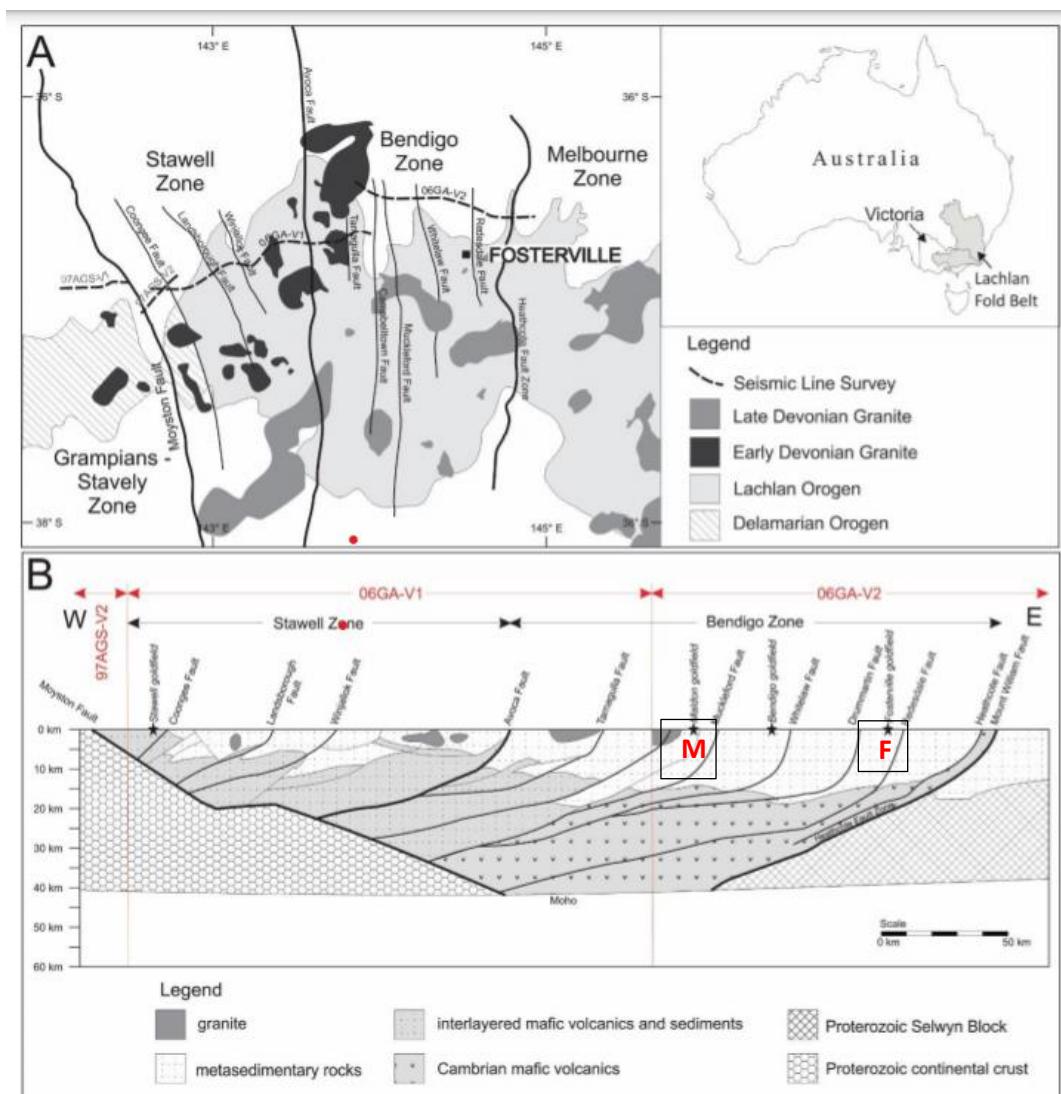
Unmined intercepts demonstrating the open nature of multiple lodes/reefs include and are not limited to:

- **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**

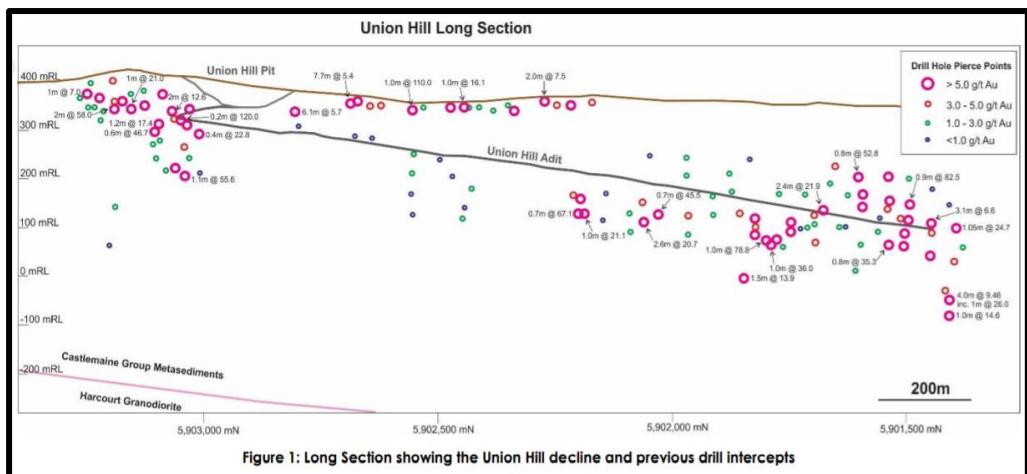
#### **Key Takeaway Points From This Announcement**

1. Firstly, we strongly encourage the reader of this Stock Commentary to obtain a copy of our full research report dated 19<sup>th</sup> 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.

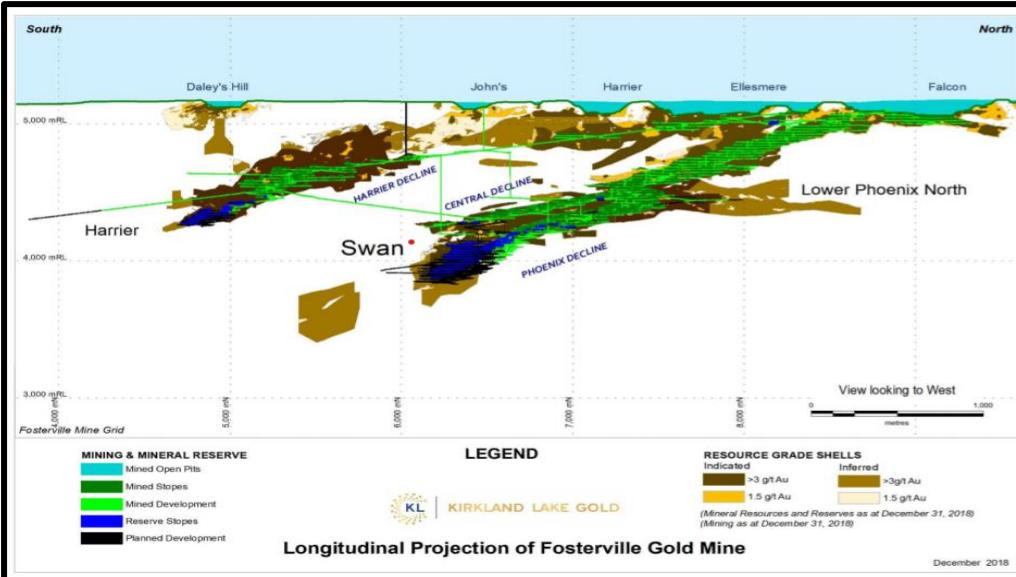
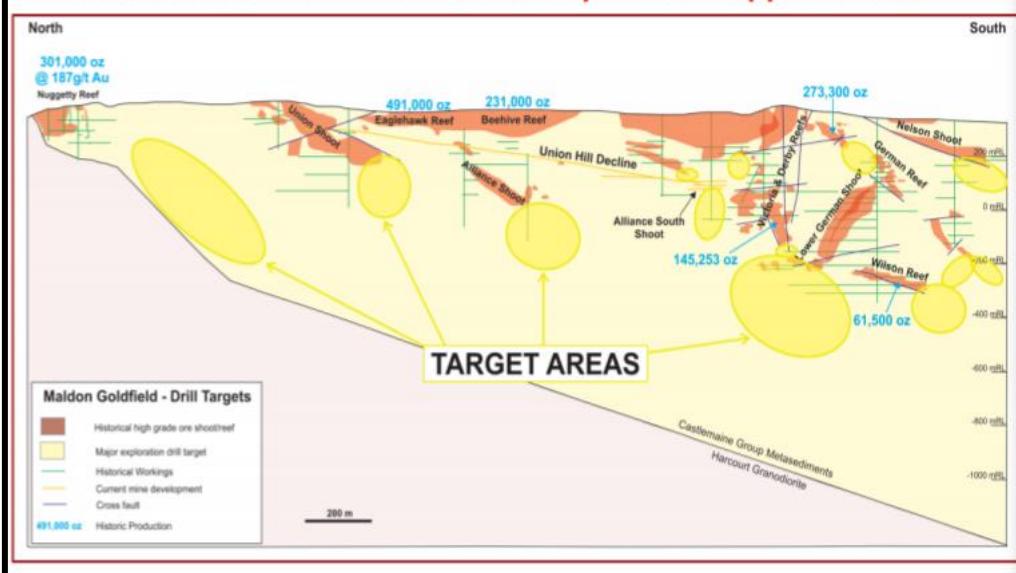
3. Astonishingly, despite Maldon having historically produced in excess of 1.75Moz at nearly 1 ounce of gold per tonne (28gpt) from a series of still open plunging shoots demonstrated by multiple unmined high-grade intercepts, the field has not seen any significant production since the mid 1800's with 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.



## The Maldon Goldfield – Numerous Exploration Opportunities



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**

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