SPEC BUY

Current Price	**A$0.19**
Price Target	**A$0.66**
TSR	**247%**

Ticker	KAU ASX
Sector:	Metals & Mining
Shares on issue (m)	594
Market Cap (A$m)	113
Net cash (debt) (A$m)	43
Enterprise Value (A$m)	70
52 Week High	A$0.42
52 Week Low	A$0.17
ADTO (A$m)	0.27

Key Metrics	**FY26**	**FY27E**	**FY28E**
P/E (x)	6.8	2.0	1.2
EV/Ebit (x)	4.3	0.2	(0.6)
EV/Ebitda (x)	1.6	0.2	(0.5)
FCF yield (%)	7.7%	54.7%	86.3%
Dividend yield (%)	0.0%	0.0%	0.0%
Financial Summary	**FY27E**	**FY28E**	**0.0**
Revenue (A$m)	206	273	294
Ebitda (A$m)	98	154	166
Ebit (A$m)	81	134	147
Earnings (A$m)	57	95	106
Op cash flow (A$m)	89	121	126
Capex (A$m)	(26)	(23)	(20)
Free CF (A$m)	62	97	105
Debt (cash) (A$m)	(96)	(193)	(298)
Gearing (%)	(194%)	(409%)	(621%)
Gold production (koz)			
Henty (koz)	30.3	34.6	34.6
Maldon (koz)	1.9	1.8	1.8
Total (koz)	**32.2**	**36.4**	**36.4**
AISC			
Henty (A$/oz)	3,748	3,476	3,513
Maldon (A$/oz)	6,522	6,949	6,949
Group (A$/oz)	**3,914**	**3,649**	**3,684**

Share price performance vs ASX 200

Source: Factset, Argonaut Research, October 2026

Friday, 9 October 2026

Kaiser Reef (KAU)

1QFY27 PRODUCTION RESULT

Analyst | Patrick Streater

QUICK READ

KAU produced 6.3koz in the 1QFY27, which was an 4% lift QoQ, although was 4% below our estimates, with production at Henty being below our expectations. KAU is guiding to FY27 production of 32koz, with Argonaut's estimates in line with guidance. The balance sheet remains solid, with KAU reporting A$40m in cash at the end of the quarter. Our production outlook is unchanged, which is yet to include potential upside from Maldon underground where KAU will commence first ore development in the 2HFY27. Updated resources and a Maldon Underground study are key catalysts for our valuation. Spot gold price movements lower our price target 1% to $0.66, with a SPEC BUY rating maintained.

KEY POINTS

1QFY27 production result: KAU produced 6.3koz in the 1QFY27, which was 4% lower than our forecasts but was 4% higher QoQ. Production at Henty of 5.7koz was 6% below our expectations, and KAU noted that "*Our production at Henty is not yet where we want it to be. There have been some personnel changes on site, and we expect ongoing improvement and production to lift to target*".

Cash build QoQ: KAU ended 1QFY27 with cash and bullion totalling A$40.0m, which was an 8% increase QoQ (4QFY26 - A$37.2m). Gold sales for 4QFY26 and full quarterly details are yet to be reported. We note that KAU will completely pay down the Auramet gold loan this month.

FY27 production guidance: KAU has maintained its FY27 production guidance of 32koz from the Henty and Maldon operations. We expect a ramp-up of production at Henty over the year, with production second half weighted, and we expected KAU to sustain these levels of production at Maldon over the year. The Maldon underground study is a key near-term catalyst and remain upside to our forecasts.

Production outlook unchanged We have incorporated the 1QFY27 result, which lifts our FY26 AISC estimate 8% higher. We have made no changes to our production forecasts, continuing to forecast a ramp-up of Henty over the year. Our long-term outlook for Henty estimates steady-state production of 35kozpa, with potential production growth from Maldon being the key upside to our base case.

VALUATION & RECOMMENDATION

Spot gold price movements lower our price target by 1% to $0.66, with a SPEC BUY rating maintained. Our price target methodology assumes a 50/50 Blend of our NPV using Argonaut gold price forecasts and at spot prices.

Figure 1 - Earnings and valuation summary

Kaiser Reef Limited

ASX: KAU	Share price (A$)	A$0.19
	Market Cap (A$m)	113
Analyst: Patrick Streater	Shares (m)	594
www.argonaut.com		

Recommendation	**SPEC BUY**
Price Target (A$)	A$0.66
TSR (%)	247%

Key metrics	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
EPS (Ac)	2.81	9.55	15.98	17.77	15.01	11.32
DPS (Ac)	0.00	0.00	0.00	0.00	0.00	0.00
P/E (x)	6.8	2.0	1.2	1.1	1.3	1.7
EV/Ebit (x)	4.3	0.2	(0.6)	(1.3)	(2.2)	(3.8)
EV/Ebitda (x)	1.6	0.2	(0.5)	(1.1)	(1.9)	(3.2)
EV/Production (x)	3,103	523	(2,204)	(5,079)	(7,285)	(9,415)
Free cash flow yield (%)	7.7%	54.7%	86.3%	93.0%	71.4%	53.8%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net debt (cash) (A$m)	(26.8)	(96.0)	(193.2)	(298.0)	(378.4)	(438.9)
Gearing (%)	(47%)	(194%)	(409%)	(621%)	(667%)	(692%)

Profit & Loss	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
Sales revenue (A$m)	**150.2**	**206.4**	**272.8**	**294.4**	**269.5**	**226.4**
Operating costs (A$m)	(92.1)	(107.3)	(118.1)	(127.0)	(130.9)	(124.6)
Exploration expense (A$m)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Corporate overhead (A$m)	(5.3)	(1.2)	(1.2)	(1.3)	(1.3)	(1.4)
Ebitda (A$m)	**52.7**	**97.9**	**153.5**	**166.1**	**137.2**	**100.4**
Depreciation (A$m)	(32.8)	(16.7)	(19.3)	(18.8)	(15.2)	(15.7)
Ebit (A$m)	**19.9**	**81.2**	**134.2**	**147.3**	**122.0**	**84.8**
Net interest (A$m)	(0.8)	(0.1)	1.4	3.5	5.3	11.3
Pre-tax profit (A$m)	**19.1**	**81.0**	**135.6**	**150.7**	**127.3**	**96.1**
Tax (A$m)	(2.4)	(24.3)	(40.7)	(45.2)	(38.2)	(28.8)
Underlying earnings (A$m)	**16.7**	**56.7**	**94.9**	**105.5**	**89.1**	**67.2**
Exceptional items (A$m)	0.0	0.0	0.0	0.0	0.0	0.0
Reported Earnings (A$m)	**16.7**	**56.7**	**94.9**	**105.5**	**89.1**	**67.2**

Cash flow statement	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
Net profit (A$m)	16.7	56.7	94.9	105.5	89.1	67.2
Depreciation (A$m)	32.8	16.7	19.3	18.8	15.2	15.7
Exploration, interest and tax (A$m)	4.0	15.2	7.1	1.2	(2.7)	(7.7)
Working Capital (A$m)	6.0	0.2	0.1	(0.0)	(0.0)	(0.1)
Other (A$m)	(14.7)	0.0	0.0	0.0	0.0	0.0
Operating cash flow (A$m)	**44.7**	**88.8**	**121.4**	**125.6**	**101.6**	**75.2**
Capital expenditure (A$m)	(32.0)	(26.5)	(23.4)	(20.0)	(20.5)	(14.6)
Exploration (A$m)	(5.1)	(0.6)	(0.6)	(0.6)	(0.6)	0.0
Other (A$m)	1.0	0.0	0.0	0.0	0.0	0.0
Free cash flow (A$m)	**8.7**	**61.7**	**97.4**	**104.9**	**80.5**	**60.7**
Dividends (A$m)	0.0	0.0	0.0	0.0	0.0	0.0
Equity (A$m)	1.8	0.0	0.0	0.0	0.0	0.0
Debt draw / (repay) (A$m)	5.6	(2.7)	(0.2)	(0.2)	(0.1)	(0.1)
Net cash flow (A$m)	**16.0**	**59.0**	**97.2**	**104.8**	**80.4**	**60.6**

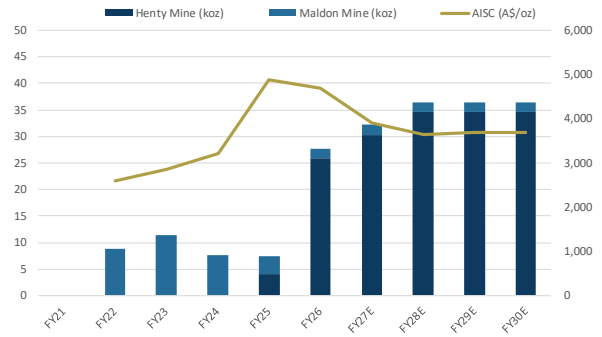
Balance sheet	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
Current assets						
Cash at bank (A$m)	37.0	96.0	193.2	298.0	378.4	438.9
Receivables (A$m)	3.2	13.0	15.5	15.3	13.8	11.5
Inventories (A$m)	10.5	44.9	53.5	52.6	47.6	39.8
Other (A$m)	0.0	0.0	0.0	0.0	0.0	0.0
Current assets (A$m)	**50.7**	**153.9**	**262.2**	**365.9**	**439.8**	**490.2**
Non-Current assets						
PP& E and Development (A$m)	75.2	85.0	89.1	90.3	95.6	94.5
Exploration & evaluation (A$m)	8.3	8.9	9.4	10.0	10.6	10.6
Other (A$m)	8.2	29.9	34.0	33.6	31.2	27.4
Non-Current assets (A$m)	**91.7**	**123.7**	**132.6**	**134.0**	**137.4**	**132.5**
Total assets (A$m)	**142.4**	**277.6**	**394.8**	**499.8**	**577.2**	**622.7**
Current liabilities						
Payables (A$m)	15.5	79.9	95.2	93.7	84.7	70.8
Short-term debt (A$m)	6.5	0.4	0.3	0.3	0.2	0.2
Other (A$m)	12.9	9.8	10.0	10.2	10.5	9.8
Current Liabilities (A$m)	**34.9**	**90.1**	**105.5**	**104.2**	**95.4**	**80.8**
Non-current liabilities						
Long-term debt (A$m)	3.7	0.0	0.0	0.0	0.0	0.0
Lease liabilities (A$m)	8.9	0.6	0.5	0.4	0.3	0.3
Provisions (A$m)	0.8	18.1	19.0	19.9	20.9	18.3
Employee Benefits(A$m)	0.0	14.1	20.1	20.1	16.2	11.8
Other (A$m)	9.3	9.3	9.3	9.3	9.3	9.3
Non-Current liabilities (A$m)	**22.7**	**42.0**	**48.8**	**49.7**	**46.7**	**39.6**
Total liabilities (A$m)	**57.6**	**132.1**	**154.3**	**153.9**	**142.1**	**120.4**
Net assets (A$m)	**84.9**	**145.5**	**240.5**	**346.0**	**435.1**	**502.3**
Equity						
Contributed equity (A$m)	108.1	108.1	108.1	108.1	108.1	108.1
Accumulated earnings (losses)	(23.9)	37.4	132.3	237.9	327.0	394.2
Total attributable equity	**84.2**	**145.5**	**240.5**	**346.0**	**435.1**	**502.3**
Minorities (A$m)	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity (A$m)	**84.2**	**145.5**	**240.5**	**346.0**	**435.1**	**502.3**

Source: KAU, Argonaut Research, October 2026

Commodity price assumptions	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
Gold price (US$/oz)	4,248	4,700	5,500	5,775	5,175	4,575
A$/US$ exchange rate (x)	0.679	0.735	0.735	0.715	0.700	0.700
Gold price (A$/oz)	6,242	6,391	7,485	8,076	7,393	6,536

Mine production details	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
Gold production						
Henty Gold Mine (koz)	26	30	35	35	35	34.6
Maldon Gold Mine (koz)	2	2	2	2	2	0.0
Total (koz)	**28**	**32**	**36**	**36**	**36**	**34.6**
AISC						
Henty Gold Mine (A$/oz)	4,246	3,748	3,476	3,513	3,517	3,441
Maldon Gold Mine (A$/oz)	11,127	6,522	6,949	6,949	6,949	6,949
Group (A$/oz)	**4,690**	**3,914**	**3,649**	**3,684**	**3,688**	**3,441**

Production Outlook



Reserves and Resources

Ore reserves

Project	Ore (mt)	(g/t)	(koz)
Henty Gold Mine	1.9	3.27	199
A1 Gold Mine	0.0	0.00	0
Union Hill	0.0	0.00	0
Total	**1.9**	**3.27**	**199**
EV/Reserve (A$/oz)			551

Mineral Resources

Project	Ore (mt)	(g/t)	(koz)
Henty Gold Mine	4.3	3.34	462
A1 Gold Mine	0.0	0.00	0
Union Hill Total	1.9	3.23	195
Total	**6.2**	**3.31**	**657**
EV/Resource (A$/oz)			167

Board and Management

Stephen Formica	Non-Executive Chairman
Brad Valiukas	Managing Director
Steward Howe	Executive Director, Operations
Craig Dingley	Executive Director
Tony Muir	Chief Financial Officer

Substantial shareholders	Shares (m)	take (%)
Catalyst Metals	118.0	19.9%
Konwave AG	24.0	4.0%
US Global Investors	5.1	0.9%

Valuation	Spot Prices		Argonaut forecasts	
Asset	**A$m**	**A$/sh**	**A$m**	**A$sh**
Henty Gold Mine	231.8	0.35	309.2	0.46
Maldon Gold Mine	(4.9)	(0.01)	0.8	0.00
Resources	91.4	0.14	76.5	0.11
Hedge book	0.0	0.00	0.0	0.00
Corporate overhead	(3.0)	(0.00)	(3.0)	(0.00)
Unpaid capital	3.2	0.00	3.2	0.00
Cash	84.2	0.13	96.0	0.14
Debt	(1.0)	(0.00)	(1.0)	(0.00)
Total	**401.8**	**0.60**	**481.8**	**0.72**
Price Target (50/50 spot/base case)				**0.66**

Eight Key Charts

Figure 2: Henty Gold Project production summary

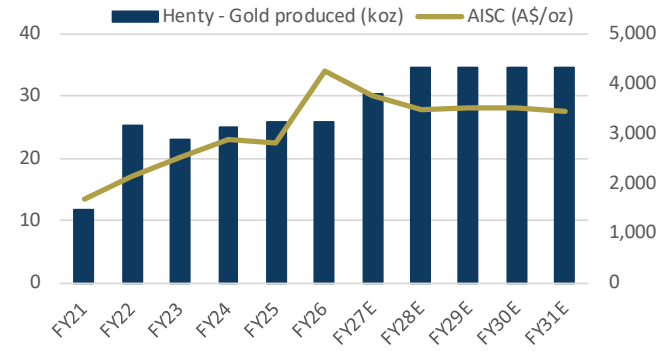


Figure 3: Henty ore milled and grade profile

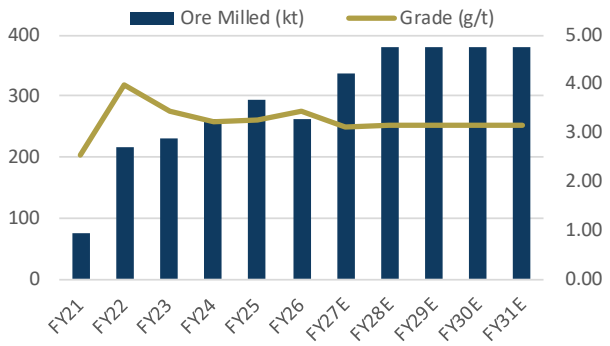


Figure 4: Maldon Gold Project production summary

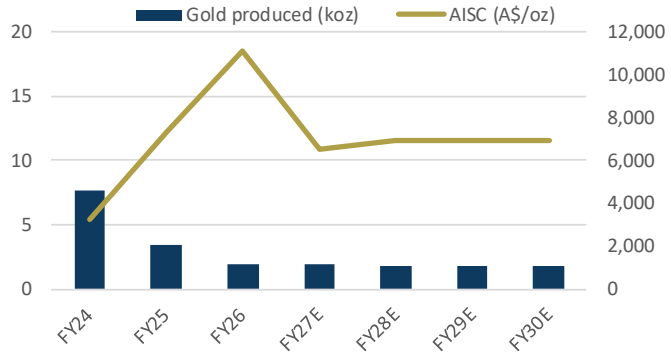


Figure 5: Maldon ore milled and grade profile

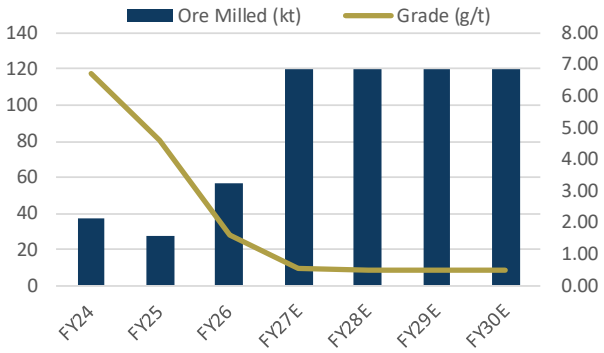


Figure 6: Reserves by project

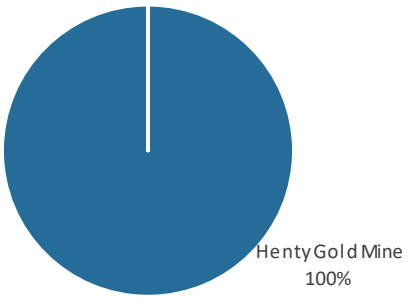


Figure 7: Resources by project

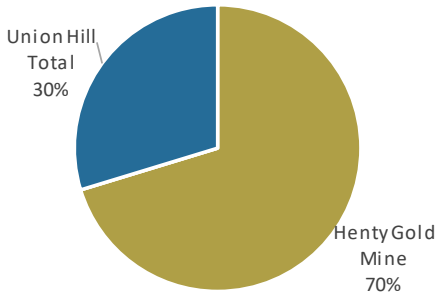


Figure 8: Net cash build vs market cap

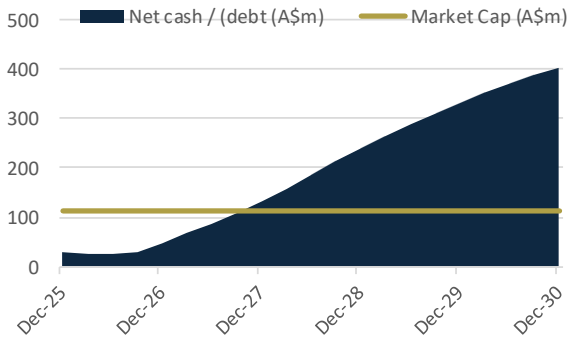
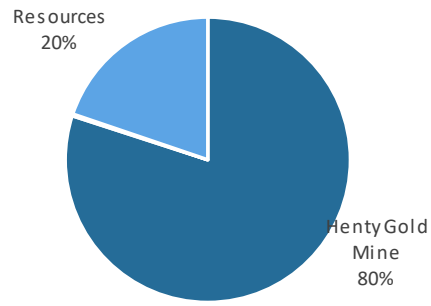


Figure 9: NPV Breakdown



Sources Fig 2-9: Factset, Argonaut Research, October 2026

1QFY27 PRODUCTION RESULT

Production and cash was modestly below our expectations

1QFY27 production result

KAU produced 6.3koz in the 1QFY27, which was 4% lower than our forecasts but was 4% higher QoQ. Production at Henty of 5.7koz was 6% below our expectations, and KAU noted that "*Our production at Henty is not yet where we want it to be. There have been some personnel changes on site, and we expect ongoing improvement and production to lift to target*".

Figure 10: 1QFY27 production result.

Quarterly result	Argonaut	Actual	Variance	QoQ	YoY
Gold production (koz)	6.5	6.3	(4%)	4%	(27%)
Cash & Bullion (A$m)	41.2	40.0	(3%)	8%	24%

Source: KAU, Argonaut Research, October 2026

Cash position has lifted to A$40.0m

Cash lifts QoQ

KAU ended 1QFY27 with cash and bullion totalling A$40.0m, which was an 8% increase QoQ (4QFY26 - A$37.2m). Gold sales for 4QFY26 and full quarterly details are yet to be reported. We note that KAU will completely pay down the Auramet gold loan this month.

FY27 guidance of 32koz

FY27 production guidance

KAU has maintained its FY27 production guidance of 32koz from the Henty and Maldon operations. We expect a ramp-up of production at Henty over the year, with production second half weighted, and we expected KAU to sustain these levels of production at Maldon over the year. The Maldon underground study is a key near-term catalyst and remain upside to our forecasts.

VALUATION AND RISKS

Price target reduced 1% to A$0.66/sh

Price target and valuation

Our price target is derived using a 50/50 blend of our sum-of-the-parts NPV using Argonaut gold prices and current spot prices. The Henty Mine accounts for the majority of our valuation. We also capture value for resources not currently incorporated in our mining inventory. Our valuation also captures corporate overhead costs and the forecast net cash position.

Figure 11: Price target is a 50/50 blend of spot and Argonaut NPV

Valuation	Spot Prices		Argonaut forecasts	
Asset	**A$m**	**A$/sh**	**A$m**	**A$sh**
Henty Gold Mine	231.8	0.35	309.2	0.46
Maldon Gold Mine	(4.9)	(0.01)	0.8	0.00
Resources	91.4	0.14	76.5	0.11
Hedge book	0.0	0.00	0.0	0.00
Corporate overhead	(3.0)	(0.00)	(3.0)	(0.00)
Unpaid capital	3.2	0.00	3.2	0.00
Cash	84.2	0.13	96.0	0.14
Debt	(1.0)	(0.00)	(1.0)	(0.00)
Total	**401.8**	**0.60**	**481.8**	**0.72**
Price Target (50/50 spot/base case)				**0.66**

Source: Argonaut Research, October 2026

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Information Disclosure

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Argonaut Corporate Finance acted as Kaiser Reef's Financial Advisor in connection with the acquisition of the Henty Gold Mine from Catalyst Metals Limited (CYL) in May 2025 and received fees commensurate with this service.

Argonaut holds or controls 5,936,649 KAU options exercisable at $0.182 set to expire on or before 1 May 2028.

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