4 February 2026

Kalamazoo Resources Ltd (KZR) BUY

Share Price: A$0.20

PFS and extensional drilling underway

Target Price: A$0.74

KZR has commenced the Mt Olympus Pre-Feasibility Study (PFS) and appointed Adam Garczynski as PFS Manager. Scoping Studies completed in Nov. 2025 show Mt Olympus as a robust, attractive gold project with payable production of 73kozpa in concentrate at AISC of A$2,183/oz over an initial seven year mine life. Strong potential exists to extend mine life with a 2,600m diamond drill program underway - testing infill and down plunge extensions beneath the open pit shell. Additionally, the KZR Board has initiated a search for a new CEO to lead KZR through its next phase of growth. We retain our BUY recommendation with increased PT of A$0.74/share (prev. A$0.66/share) after gold price and production revisions.

Mt Olympus PFS commenced

- Adam Garczynski from Project Delivery International has been appointed as PFS Manager.
- Adam has over 25 years' experience leading major studies and will lead a team of consultants comprising:
  - DDH1 - Drilling
  - Snowden Optiro - Resource Geology
  - BHM Process Consultants - Metallurgy
  - NewPro Consulting and Engineering Services - Processing, power & infrastructure
  - Entech Mining - Mining & Geotechnical Studies
  - Green Values Australia - Environmental Studies & Permitting

Extensional drilling is well advanced

- Extensional drilling is well advanced with results due this quarter.
- KZR has identified an additional exploration target of 2.0-6.0Mt @ 2.0g/t Au for 129-387koz.
- Current Resources equate to 1.44Moz, with 1.1Moz @ 2.7g/t Au of this within an open pit at Mt Olympus.

Financial Summary

- NPV of A$0.74/share rising to A$1.21/share at spot.
- Cash of ~A$10M, listed investments A$5.6M, nil debt.
- Cheap relative to peers with EV/Resource of A$35/oz compared to peer developer average of A$215/oz.

Key Dates Ahead

- Mar. Q'26 – Ongoing drill results.
- Dec. Q'26 – Mt Olympus PFS.
- Dec. Q'27 – Mt Olympus DFS, FID & financing.
- Dec. Q'29 – First gold production.

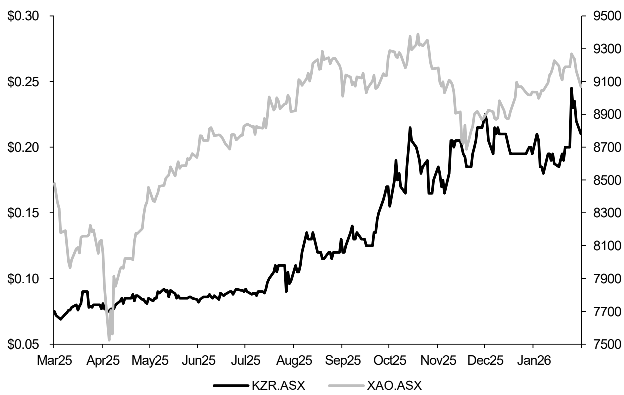
Company Data

Shares – ordinary (M)	300.6
Dilution (M)	30.7
Total (fully diluted) (M)	339.3
Market capitalisation ($M)	60.1
12 month low/high ($)	0.07 / 0.25
Average monthly turnover ($M)	8.3
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End June	FY28F	FY29F	FY30F	FY31F	FY32F
Revenue ($M)	0.0	0.0	282.6	393.6	380.0
Costs ($M)	5.0	6.0	120.7	175.4	176.3
EBITDA ($M)	-5.0	-6.0	161.9	218.2	203.7
NPAT (A$M)	-3.8	-9.9	98.2	131.9	126.1
EPS (cps)	-0.4	-1.1	11.0	14.8	14.1
EPS Growth (%)	na	na	>100	34	-4
PER (x)	na	na	1.8	1.4	1.4
Cashflow (A$M)	-3.6	-8.9	157.1	179.1	157.5
CFPS (c/sh)	-0.4	-1.0	17.6	20.1	17.7
PCFPS	na	na	1.1	1.0	1.1
EV	123	273	177	9	-125
EV/EBITDA	-25	-45	1.1	0.0	-0.6
Payout ratio (%)	na	na	na	na	10%
DPS	0.0	0.0	0.0	0.0	1.4
Yield (%)	0.0	0.0	0.0	0.0	7.1
Franking (%)	0.0	0.0	0.0	0.0	100.0

KZR – performance over one year



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Analysis

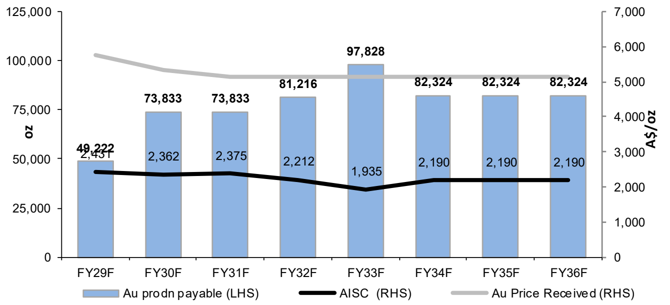
KALAMAZOO RESOURCES LIMITED (KZR)

Share Price	($)	0.200
Iss. Shares	(M)	300.6
Options	(M)	30.7
Perf Rights	(M)	8.0
Mkt Cap.	($M)	60.1

3-Feb-26
Year End June A$

PROFIT & LOSS		FY28F	FY29F	FY30F	FY31F	FY32F
Sales Revenue	$M	0.0	0.0	282.6	393.6	380.0
Other Income	$M	0.0	0.0	0.0	0.0	0.0
Operating Costs	$M	5.0	6.0	120.7	175.4	176.3
Exploration	$M	0.0	0.0	0.0	0.0	0.0
Other	$M	0.0	0.0	0.0	0.0	0.0
EBITDA	**$M**	**(5.0)**	**(6.0)**	**161.9**	**218.2**	**203.7**
Dep. & Amort.	$M	0.2	1.0	16.8	32.8	33.9
EBIT	**$M**	**(5.2)**	**(7.0)**	**145.1**	**185.4**	**169.8**
Net Interest	$M	(1.4)	2.9	4.9	(2.9)	(10.3)
Pre-Tax Profit	**$M**	**(3.8)**	**(9.9)**	**140.3**	**188.4**	**180.1**
Tax	$M	0.0	0.0	42.1	56.5	54.0
Minorities	$M	0.0	0.0	0.0	0.0	0.0
Net Profit	**$M**	**(3.8)**	**(9.9)**	**98.2**	**131.9**	**126.1**
Abnormal	$M	0.0	0.0	0.0	0.0	0.0
Reported Profit	**$M**	**(3.8)**	**(9.9)**	**98.2**	**131.9**	**126.1**
Dividends Paid	$M	0.0	0.0	0.0	0.0	12.6
Adjustments	$M	0.0	0.0	0.0	0.0	0.0
Retained Earnings	**$M**	**(19.3)**	**(29.2)**	**69.0**	**200.9**	**314.4**
CASH FLOW						
Revenue	$M	0.0	0.0	282.6	393.6	380.0
Costs	$M	(5.0)	(6.0)	(120.7)	(175.4)	(176.3)
Net Interest	$M	1.4	(2.9)	(4.9)	2.9	10.3
Tax Paid	$M	0.0	0.0	0.0	(42.1)	(56.5)
Gross Cash Flow	**$M**	**(3.6)**	**(8.9)**	**157.1**	**179.1**	**157.5**
Net Capex	$M	(45.0)	(136.0)	(51.0)	(6.0)	(6.0)
Exploration	$M	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Dividends	$M	0.0	0.0	0.0	0.0	(12.6)
Other	$M	0.0	0.0	(5.0)	0.0	0.0
Free Cashflow	**$M**	**(53.6)**	**(149.9)**	**96.1**	**168.1**	**133.9**
Equity Issues	$M	99.8	0.0	0.0	0.0	0.0
Net Borrowings	$M	0.0	130.0	(80.0)	(50.0)	0.0
Net Investments	$M	0.0	0.0	0.0	0.0	0.0
Surplus Cash Flow	**$M**	**46.2**	**(19.9)**	**16.1**	**118.1**	**133.9**
BALANCE SHEET						
Cash	$M	55.5	35.6	51.7	169.8	303.6
Other Current	$M	0.5	0.5	42.4	59.0	57.0
Total Current	**$M**	**56.0**	**36.1**	**94.1**	**228.8**	**360.6**
Fixed Assets	$M	48.1	183.1	217.3	190.5	162.7
Expl. & Evaluation	$M	34.6	39.6	44.6	49.6	54.6
Intangibles	$M	0.0	0.0	0.0	0.0	0.0
Other	$M	2.4	2.4	7.4	7.4	7.4
Total NC Assets	**$M**	**85.0**	**225.0**	**269.3**	**247.5**	**224.6**
TOTAL ASSETS	**$M**	**141.0**	**261.1**	**363.3**	**476.3**	**585.2**
Total Debt	$M	0.0	130.0	50.0	0.0	0.0
Current Liab	$M	3.5	3.5	45.5	60.0	57.5
Non Current Liab	$M	0.4	0.4	42.3	59.0	56.9
TOTAL LIAB	**$M**	**3.9**	**133.9**	**137.8**	**118.9**	**114.4**
NET ASSETS	**$M**	**137.1**	**127.3**	**225.5**	**357.3**	**470.8**
SH/HLDRS FUNDS	**$M**	**137.1**	**127.3**	**225.5**	**357.3**	**470.8**
RATIO ANALYSIS						
EPS	¢	(0.4)	(1.1)	11.0	14.8	14.1
PER	x	na	na	1.8	1.4	1.4
EPS Growth	%	na	>100	>100	34	(4)
EBITDA per share	¢	(0.6)	(0.7)	18.2	24.5	22.8
EBITDA Multiple	x	(36)	(30)	1.1	0.8	0.9
EV/EBITDA	x	(25)	(45)	1.1	0.0	(0.6)
CFPS	¢	(0.4)	(1.0)	17.6	20.1	17.7
PCFR	x	na	na	1.1	1.0	1.1
DPS	¢	0.0	0.0	0.0	0.0	1.4
Yield	%	0.0	0.0	0.0	0.0	7.1
Franking	%	0.0	0.0	0.0	0.0	100.0
Payout Ratio	%	0.0	0.0	0.0	0.0	0.1
Gearing ND/E	%	na	74	na	na	na
Interest Cover	x	3.7	na	29.9	na	na
EBITDA Margin	%	na	na	57.3	55.4	53.6
EBIT Margin	%	na	na	51.4	47.1	44.7
Return On Assets	%	(3.7)	(2.7)	39.9	38.9	29.0
Return On Equity	%	(2.7)	(7.8)	43.6	36.9	26.8
Eff Tax rate	%	0.0	0.0	30.0	30.0	30.0

RESERVES & RESOURCES		FY28F	FY29F	FY30F	FY31F	FY32F
Reserves / Mine Inventory						
Tonnes	Mt	11.0	11.0	10.0	8.5	7.0
Grade Au	g/t	2.2	2.2	2.2	2.2	2.2
Contained Au	Moz	0.79	0.79	0.72	0.61	0.50
Resources						
Tonnes	Mt	16.2	16.2	15.2	13.7	12.2
Grade Au	g/t	2.8	2.8	2.8	2.8	2.8
Contained Au	Moz	1.44	1.44	1.35	1.21	1.08
PRODUCTION (100%)						
Ore Milled	Mt	0.00	0.00	1.00	1.50	1.50
Au Grade	g/t	0.00	0.00	2.00	2.00	2.00
Recovery	%	0.00	0.00	86.0	86.0	86.0
Au Prodn (payable)	oz	0.00	0	49,222	73,833	73,833
REVENUE (attributable)						
Mt Olympus Gold	$M	0.0	0.0	282.6	393.6	380.0
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	0.0	0.0	282.6	393.6	380.0
COSTS						
AISC	A$/oz	0	0	2431	2362	2375
AISC	US$/oz	0	0	1641	1606	1615
Costs	$M	0.0	0.0	113.7	168.4	169.3
Corp / Other	$M	5.0	6.0	7.0	7.0	7.0
Total Costs	$M	5.0	6.0	120.7	175.4	176.3
CAPEX						
Mt Olympus Gold	$M	45.0	136.0	51.0	6.0	6.0
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	45.0	136.0	51.0	6.0	6.0
DEPRECIATION						
Mt Olympus Gold	$M	0.2	1.0	16.8	32.8	33.9
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	0.2	1.0	16.8	32.8	33.9
EBITDA						
Mt Olympus Gold	$M	-5.0	-6.0	161.9	218.2	203.7
Other (incl. writedowns)	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	-5.0	-6.0	161.9	218.2	203.7



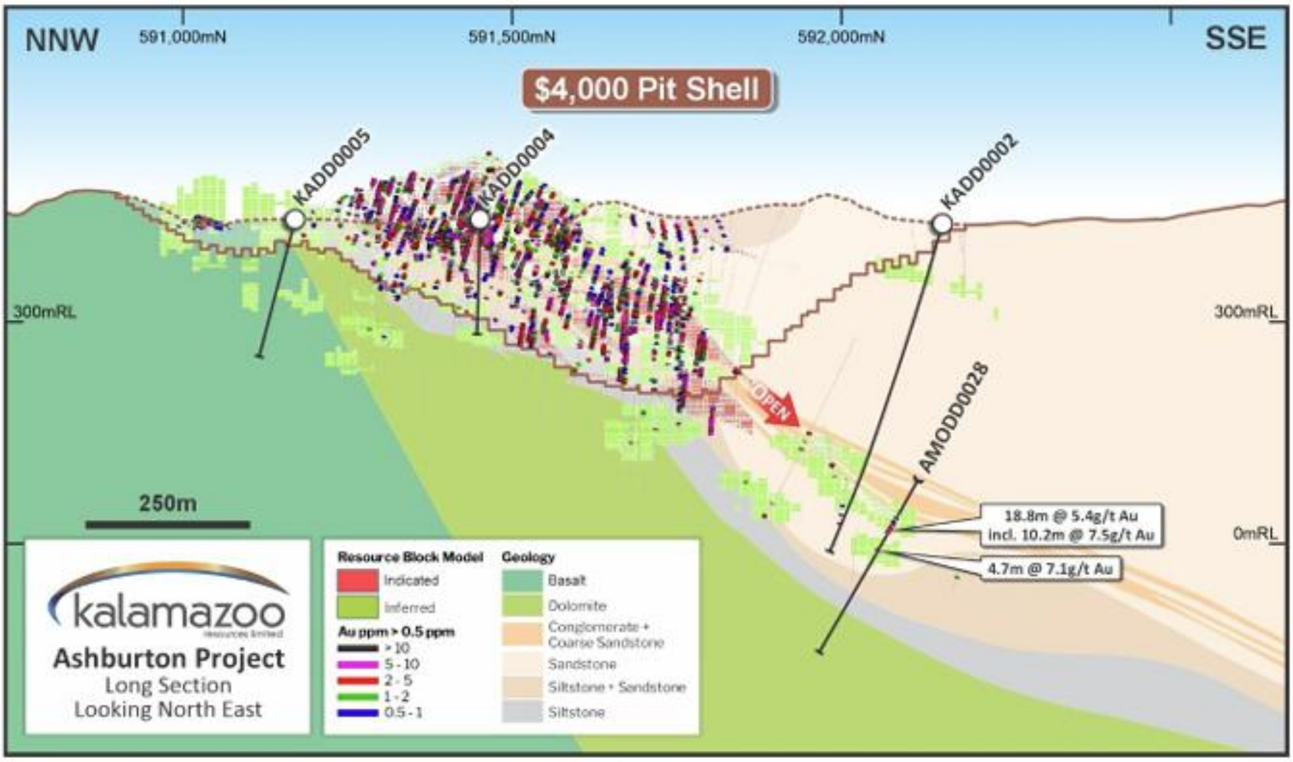
ASSUMPTIONS		FY28F	FY29F	FY30F	FY31F	FY32F
Exchange Rate	A$/US$	0.67	0.67	0.68	0.68	0.68
Gold Price	US$/oz	4,375	4,125	3,875	3,625	3,500
Gold Price	A$/oz	6,530	6,157	5,741	5,331	5,147

OTHER DATA						
Share Price	$/sh.	0.200	0.200	0.200	0.200	0.200
Number of shares	M	891.5	891.5	891.5	891.5	891.5
Market Capitalisation	$M	178.3	178.3	178.3	178.3	178.3
EV	$M	122.8	272.7	176.6	8.6	-125.3

VALUATION (fully diluted)	A$M	A$/sh
Mt Olympus Gold Project (NPV8+1yr)	$637.6	$ 0.72
Exploration (0.5Moz @ A$100/oz)	$ 50.0	$ 0.06
Corporate / Other	$ (44.3)	$ (0.05)
Net Cash (Debt) FY27	$ 9.4	$ 0.01
Total	**$658.5**	**$ 0.74**

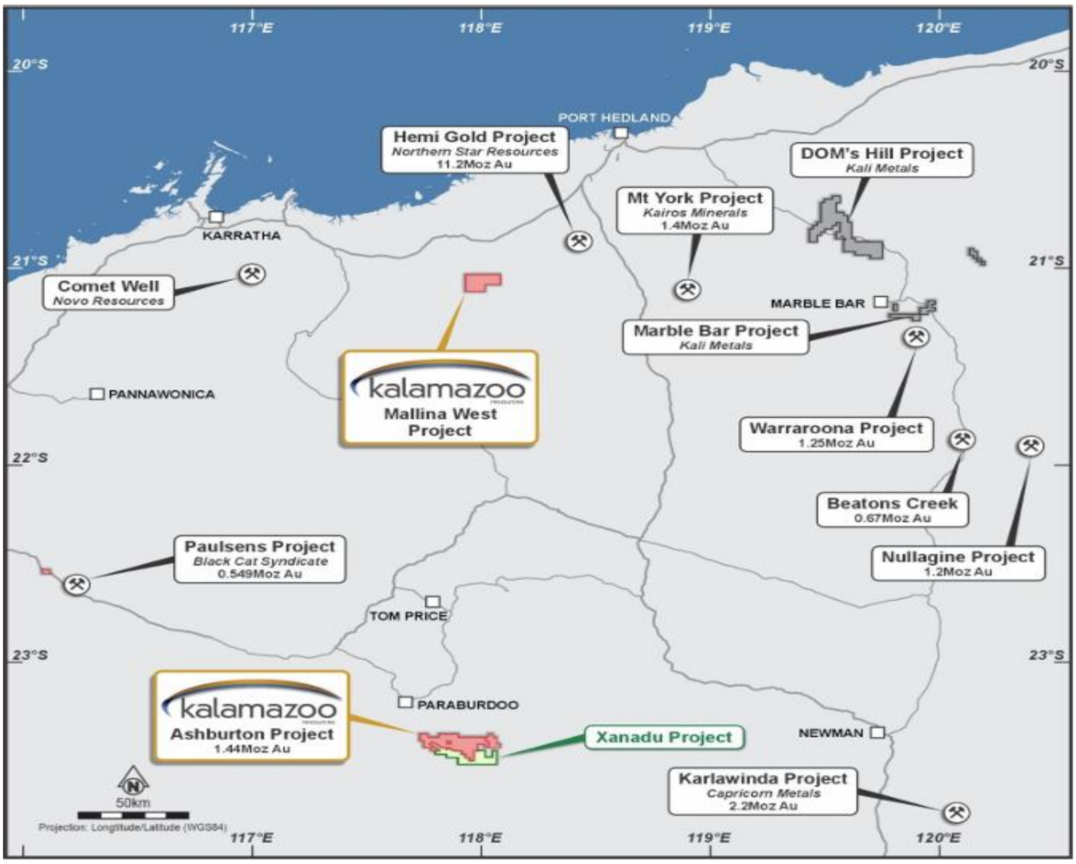
Source: Petra Capital. We assume an equity raise of A$15M in FY26 via 75M shares at 20c/share, and an A$105M raise in FY28 via 477M shares at 22c/share.

Figure 1: Mt Olympus Long Section with historical drill hole intercepts (looking NE) and planned hole KADD0002



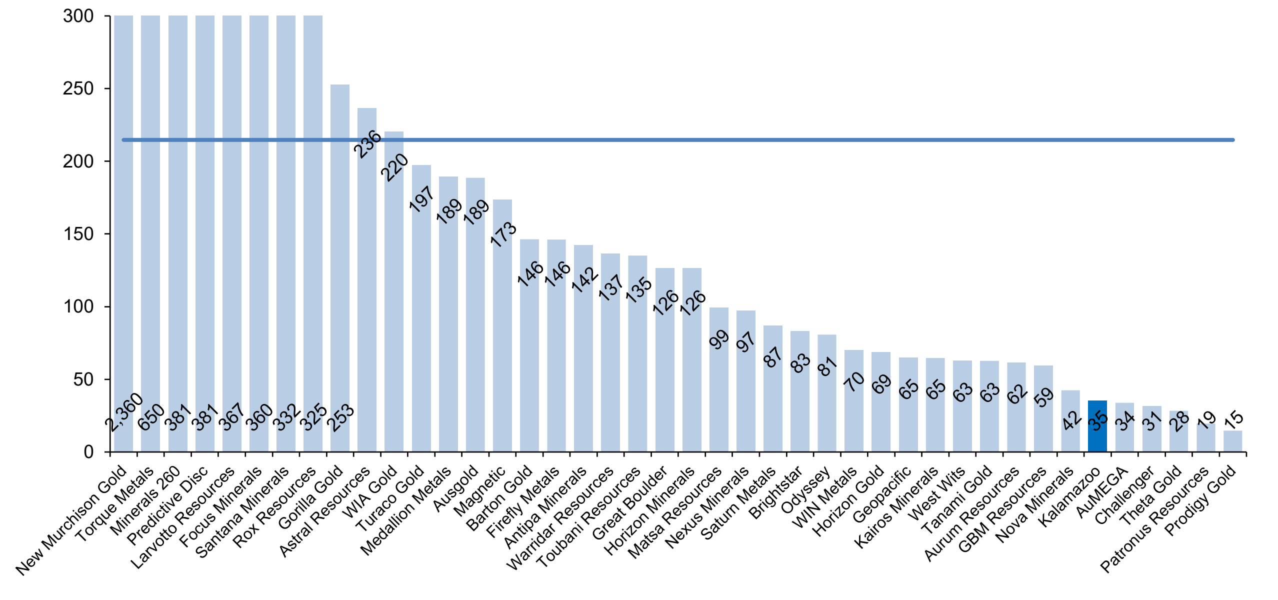
Source: KZR.

Figure 2: Ashburton (Mt Olympus) Gold Project Location



Source: KZR.

Figure 3: EV/Resource oz (A$/oz) ASX gold developers



Source: IRESS, Companies, compiled by Petra Capital.

Summary of Changes

- US$ gold prices have been revised up by 29% FY30, +21% FY31 and +17% long term to US$3,500/oz from FY32.
- We have pushed production out from Mar. Q'29 to Dec. Q'29 and increased our modelled FY26 equity raise from A$10M to A$15M.
- The net effect results in NPV rising by 11% to A$0.74/share.

Figure 4: Summary of Changes

		FY29F			FY30F			FY31F		
		New	Old	% var	New	Old	% var	New	Old	% var
Revenue	A$M	0.0	114.7	-100%	282.6	328.1	-14%	393.6	325.7	21%
Operating Costs	A$M	7.0	63.1	-89%	120.7	168.8	-29%	175.4	168.6	4%
EBITDA	A$M	-7.0	51.6	-114%	161.9	159.4	2%	218.2	157.1	39%
EBIT	A$M	-8.0	39.1	-120%	145.1	128.3	13%	185.4	125.1	48%
NPAT	A$M	-11.0	22.1	-150%	98.1	87.6	12%	131.8	90.4	46%
EPS	A$c/sh	-1.2	2.5	-148%	11.0	10.1	9%	14.8	10.4	42%
Valuation	**A$M**	656	573	15%						
Price target	**A$/sh**	0.74	0.66	11%						
Shares Fully Diluted	**M**	892	867	3%						
Au Prodn payable	kt	0	25	-100%	49	74	-33%	74	74	0%
AISC Au	A$/oz	0	2,604	-100%	2,431	2,300	6%	2,362	2,297	3%
Gold Price	A$/oz	6,157	4,662	32%	5,741	4,444	29%	5,331	4,412	21%
Gold Price	US$/oz	4,125	3,100	33%	3,875	3,000	29%	3,625	3,000	21%
AUD/USD	#	0.67	0.67	1%	0.68	0.68	0%	0.68	0.68	0%

Source: Petra Capital.

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