

Unit 3, Churchill Court
335 Hay Street
Subiaco WA 6008
PO Box 8188 Subiaco East
WA 6008
T 08 9481 0389
kaiserreef.com.au
admin@kaiserreef.com.au

25 February 2021

Madeleine Green
Senior Adviser, Listings Compliance Perth
ASX Compliance Pty Ltd
Level 40, Central Park
152 – 158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Madeleine

RESPONSE TO ASX AWARE QUERY

Kaiser Reef Limited (ASX: KAU) (**Company** or **Kaiser**) refers to your letter dated 23 February 2021 entitled "Kaiser Reef Limited ('KAU'): Aware Query" (**Letter**).

The Company responses to the queries in the Letter are set out below. Defined terms have the same meaning as given in the Letter unless otherwise required.

1. Does KAU consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, Kaiser considers that the drill results announcement from its ongoing drilling programme at the A1 Mine, released on Monday, 22 February 2021, which included 12.1m @ 24.26 g/t gold, to be information that a reasonable person would expect may have a material effect on the price or value of its securities.

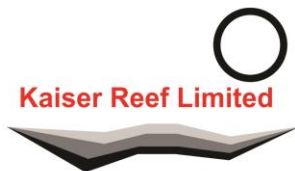
2. If the answer to question 1 is "no", please advise the basis for that view commenting specifically on the increase in price of KAU's securities on Monday, 22 February 2021 following the release of the Announcement.

Not applicable.

3. When did KAU first become aware of the Information?

The final drill results, along with a draft pre-prepared ASX announcement, were provided to the Kaiser Board early on the morning of Monday, 22 February 2021 at 4:03am (WST).

The results were released to the ASX as soon as possible thereafter following Kaiser Board review, being 8:36am (WST) on 22 February 2021.



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- 4. If the answer to question 1 is “yes” and KAU first became aware of the Information before the release of the Announcement, did KAU make any announcement prior to the release of the Announcement which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe KAU was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps KAU took to ensure that the Information was released promptly and without delay.**

Kaiser is currently conducting a resource drilling program of approximately 4,000m within one of Australia’s longest running and highest-grade gold mines with production over the last 18 months delivering a grade of 11.4 g/t gold. The drill results were announced as soon as practicable and after technical review of the information in a form suitable for public release, considering the need for inclusion of contextual drill diagrams. Further drill results will be released as assay batches are received and verified.

Kaiser also notes that it made its first major public presentation of the Company at 2:00pm (WST) on Thursday, 18 February 2021 at the RIU Explorers Conference. This presentation (previously announced on 28 January 2021) was well received and in the Company’s view, may have contributed to the increased trading volume of Kaiser securities on Friday, 19 February 2021. In addition, the Company is aware that Peloton Capital published its first research note covering Kaiser with a buy recommendation and a price target of 90c per share on Friday, 19 February 2021.

- 5. Please confirm that KAU is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

Kaiser confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Kaiser confirms that its responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy with delegated authority from the board to respond to ASX on disclosure matters.

If you require any further information, please contact David Palumbo.

ENDS

Yours sincerely,

Jonathan Downes
Kaiser Reef Limited



23 February 2021

Reference: 31243

Mr David Palumbo
Company Secretary
Kaiser Reef Limited

By email: david@miningcorporate.com.au

Dear Mr Palumbo

Kaiser Reef Limited ('KAU'): Aware Query

ASX refers to the following:

- A. The change in price of KAU's securities from a low of \$0.38 at the close of trade on Thursday, 18 February 2021 to an intra-day high of \$0.45 on Friday, 19 February 2021.
- B. The significant increase in the volume of KAU's securities traded on Friday, 19 February 2021.
- C. KAU's announcement entitled "Kaiser Drilling results from A1 Mine" lodged on the ASX Market Announcements Platform and released at 11:36AM AEDT on 22 February 2021 (the 'Announcement'), disclosing KAU's drilling results from its ongoing drilling programme at A1 Mine ('Information').
- D. The change in the price of KAU's securities from a low of \$0.435 at the close of trade on Friday, 19 February 2021 to an intraday high of \$0.51 on Monday, 22 February 2021 following the release of the Announcement.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks KAU to respond separately to each of the following questions and requests for information:

1. Does KAU consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view commenting specifically on the increase in price of KAU's securities on Monday, 22 February 2021 following the release of the Announcement.
3. When did KAU first become aware of the Information?
4. If the answer to question 1 is "yes" and KAU first became aware of the Information before the release of the Announcement, did KAU make any announcement prior to the release of the Announcement which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe KAU was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps KAU took to ensure that the Information was released promptly and without delay.
5. Please confirm that KAU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that KAU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KAU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Friday, 26 February 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KAU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require KAU to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in KAU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in KAU's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to KAU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that KAU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Madeleine Green
Senior Adviser, Listings Compliance (Perth)