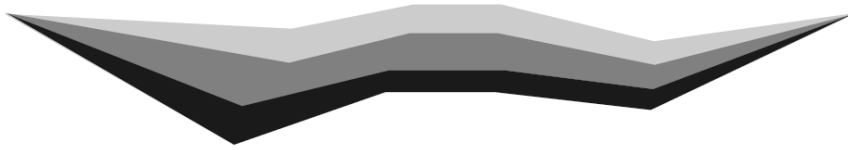
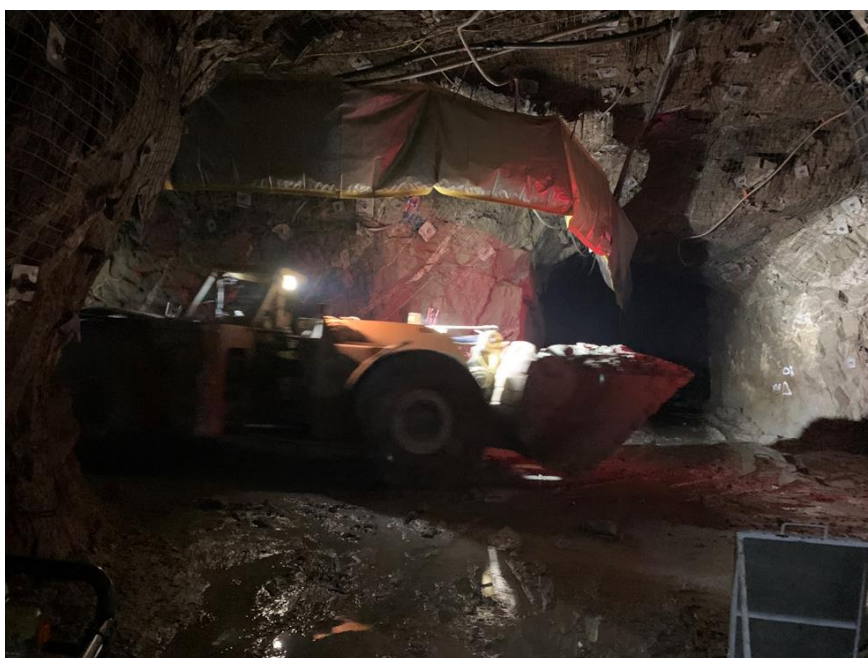


Kaiser Reef Limited



Quarterly Activities Report

For the period ending 31 December 2021



Loader transporting high grade ore at the A1 mine

Highlights

Kaiser enjoyed a 36% increase in gold production for the December 2021 Quarter from the previous reporting period and became operationally profitable, in addition to returning encouraging early first pass exploration results at the Maldon goldfield drilling programme and near mine high grade gold results from the A1 Mine.

Production

- Revenues: \$5.1m
- Mine Operating Cash Costs: \$3.9m
- Gold Head Grade (recovered): 9.87 g/t gold
- Operating Cash Costs per Ounce: AUD\$2,006/Oz
- Gold Price Received: AUD\$2,474/Oz

Maldon Exploration

- High Grade First Exploration Results from the Maldon Historic Goldfield (past production exceeding 1.74M Oz @ 28 g/t gold)
- Second Diamond Drill Rig drilling the Nuggetty Reef Historic Gold Mine (past production of 301,000 Oz @ 187 g/t)
- Preliminary results from Maldon (refer to ASX release dated 15 November 2021) include:
 - UH-UDH-001: 1.2m @ 14.1 g/t gold
 - UH-UDH-005: 0.65m @ 33.4 g/t gold
 - UH-UDH-006: 1.8m @ 29.6 g/t gold
 - UH-UDH-021: 1.5m @ 6.5 g/t gold

- Maldon exploration initially targeting the Eaglehawk Reef at depth (past production from the Eaglehawk Reef is 491,400 Oz gold)
- Decline power and ventilation - The decline was subject to minor upgrades such as the electrical distribution to support the underground activities
- Drilling Ongoing.

A1 Mine Exploration

- High grade exploration results (refer to ASX release dated 8 October 2021) returned from near mine targets including:
 - A1UDH-456: **15.9m @ 4.6 g/t gold** from 12.4m; and
 - **26.1m @ 6.2 g/t gold** from 33.6; including
 - **12.2m @ 10.3 g/t gold** from 39.8m
 - A1UDH-457: **8.4m @ 7.2 g/t gold** from 14m; and
 - **9.3m @ 9.4 g/t gold**; within
 - **24.6m @ 4.7 g/t gold** from 38.4m
 - A1UDH-458: **1m @ 34.1 g/t gold** from 53.9m; and
 - **0.4m @ 17.8 g/t gold** from 67.8m
 - A1UDH-460: **9.6m @ 5.5 g/t gold** from 13.7m; and
 - **24.4m @ 6.7 g/t gold** from 36.6m; including
 - **12.4m @ 10.9 g/t gold** from 38.6m

Production

Kaiser Reef Limited (**ASX: KAU**) ('Kaiser', or 'the Company') is pleased to report on its December 2021 quarter activities and production, announcing a further significant milestone since acquiring Centennial Gold Ltd assets in 2021. Investment in operational capital and dedication by the workforce has delivered further operational improvements during the December Quarter that have yielded operationally profitable gold production at the A1 Gold Mine (Figure 1). During 2021, improvements began delivering profitable monthly operational results and Kaiser is pleased that the investment made in 2021 is delivering these significant outcomes. Further improvements in operating efficiency, gold production and output are targets in 2022.

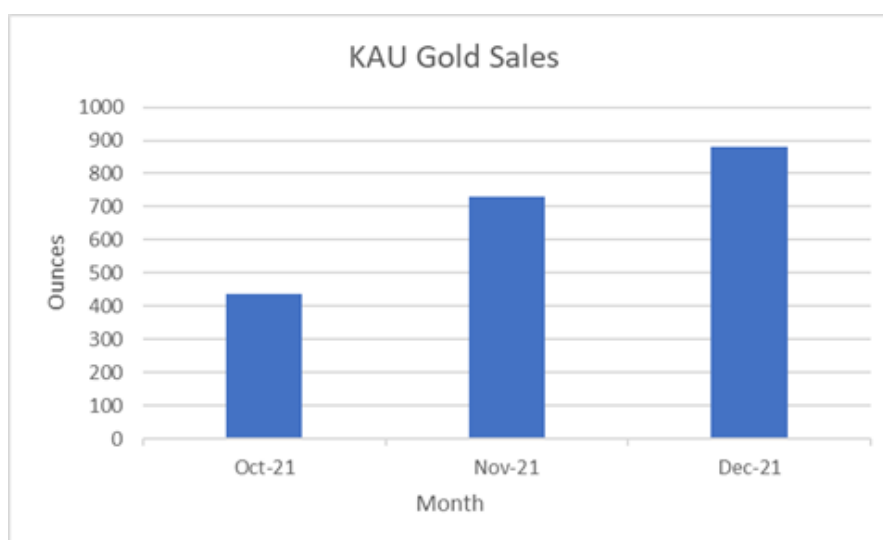


Figure 1: Monthly Gold Sales

This positive result underpins Kaiser's vision to become a multi-mine high grade gold producer and supports the exploration focus. The production ramp up which began with the commencement of decline extension during mid-2021 is ongoing. During the December quarter, development to allow access and mining of the Queens Lode, as well as exploration drilling at Maldon has progressed well. When accessed and in full production, the Queens Lode is expected to deliver further substantial increase in production and revenues. Mine planning for the next quarter is primarily preparing the operations to start a planned major increase in mining in April 2022.

During the quarter, Kaiser mined 5,627t of ore grading 9.87 g/t gold and process recoveries were estimated at 95.0%. A high proportion of the operational costs are fixed, and the operating margin has the potential to be substantially improved once the increased mine production rates are achieved.

The A1 Mine commenced operation in 1861 and is a significant high-grade asset that remains open at depth to further mineralisation. The mining team, working under Tom de Vries, have worked hard to deliver this solid result and remain focussed on future expanded production.

Industry wide staff shortages, supply shortage and Covid-19 impacts have the potential to disrupt or slow the mining operations at the A1 Mine and the Maldon processing plant. Kaiser is working hard on mitigating these fluid challenges as they arise.

Kaiser closed the quarter with a healthy cash balance of \$5.1M and no debt. In addition, a significant amount of gold resides in the circuit, with an estimated value of ~\$1.4M to \$1.7M which will be recovered at a later date.

Exploration – Maldon

Kaiser's key exploration targets remain the Union Hill and Nuggety Reef gold projects within the Maldon goldfield, where exploration was conducted with two diamond drilling rigs. Maldon is located between Bendigo and Ballarat in the Victorian Goldfields and the licence area has produced over 1.74M ounces of gold at 28 g/t. Maldon is host to one of Australia's highest grade historic gold mines, the Nuggety Reef, that produced 301,000 ounces of gold at 187 g/t.

Kaiser announced the first exploration results for Maldon (Image 1), with the drill rig operating well from underground at the Union Hill decline. The results returned excellent narrow high-grade intervals (Image 2). In the context of the "contained metal" Kaiser is pleased to report that 5 of the 11 drillholes returned an exceptionally high average "gram x metre" interval of 20.5 g/t gold. Most of the drill holes intercepted the Eaglehawk target reef at its projected location.



Image 1: Underground diamond drilling rig at Maldon

The drilling target represents the previously named 'Alliance South deposit' (Figures 2-5). The Alliance South deposit is defined by the north-south striking Eaglehawk Reef, at the southern termination of the Central Maldon Shear zone. The Alliance South deposit comprise a fault bound shallow dipping western and steep dipping eastern reef which make up the overall Eaglehawk Reef structure which was mined extensively from the Alliance and Limited shafts. Higher grades are associated with the western reef with occasional widths reportedly exceeding 5m.



Image 2: Eaglehawk reef showing typical mineralised quartz/sulphide lodes, UH-UDH-006: 59.73m to 61.5m for 1.77m @ 29.6 g/t gold

The target drilling area represents a structural zone where the Eaglehawk Reef passes from the east limb of the German Anticline into the hinge zone of the German Syncline. The up-dip projection of the Eaglehawk Reef was stopped to the south on the 1080 and 1060 Levels. The planned drilling is poised to delineate a down-dip resource in addition to following up on regions that returned historic high-grade intersections such as DDH104 (2.8m @ 14.87 g/t Au).

The Alliance South deposit within the Eaglehawk Reef represents a structural domain south of a major fault known as the Moons Cross Course and north of the Nankivell Cross Course. This structural domain had limited historical mining due to these major discontinuities inhibiting underground development for risk of flood inundation and related geotechnical conditions that were beyond historic engineering capabilities.

Kaiser owns a small-scale Kempe Diamond drilling rig which was utilised to commence early drilling. Unfortunately, the production and effectiveness of the rig was substantially below expectations and some of the deeper targets were not tested. As a result, it was retired as soon as the more powerful diamond drilling rig arrived on site. Nevertheless, the Kempe drilling rig did intercept mineralisation at the targeted locations (Figure 3).

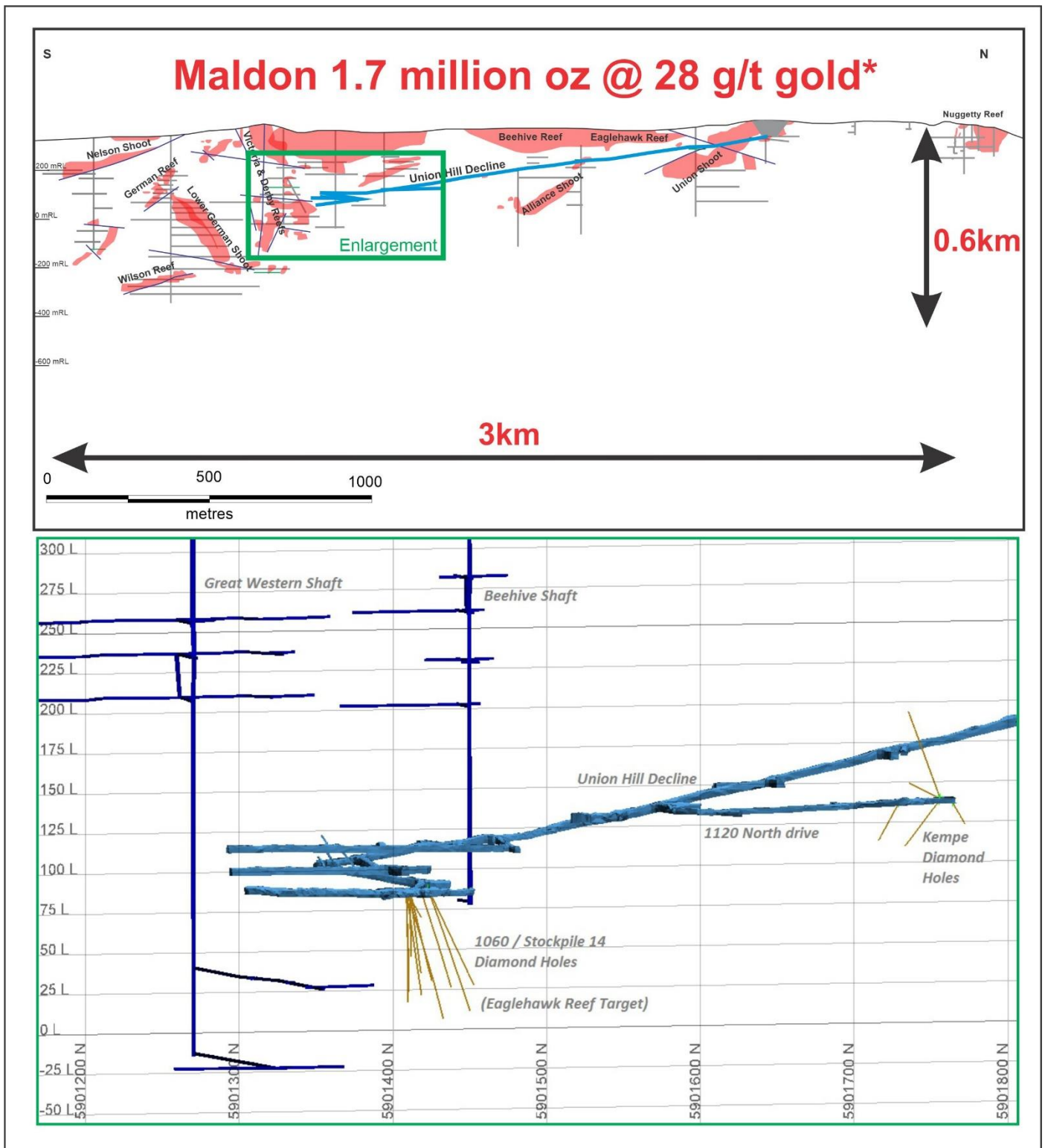


Figure 2: Long section of Maldon goldfield showing the two drilling areas as reported. * The historic production from Maldon, as reported in the Kaiser prospectus dated 7 December 2020. Alluvial gold production has been excluded

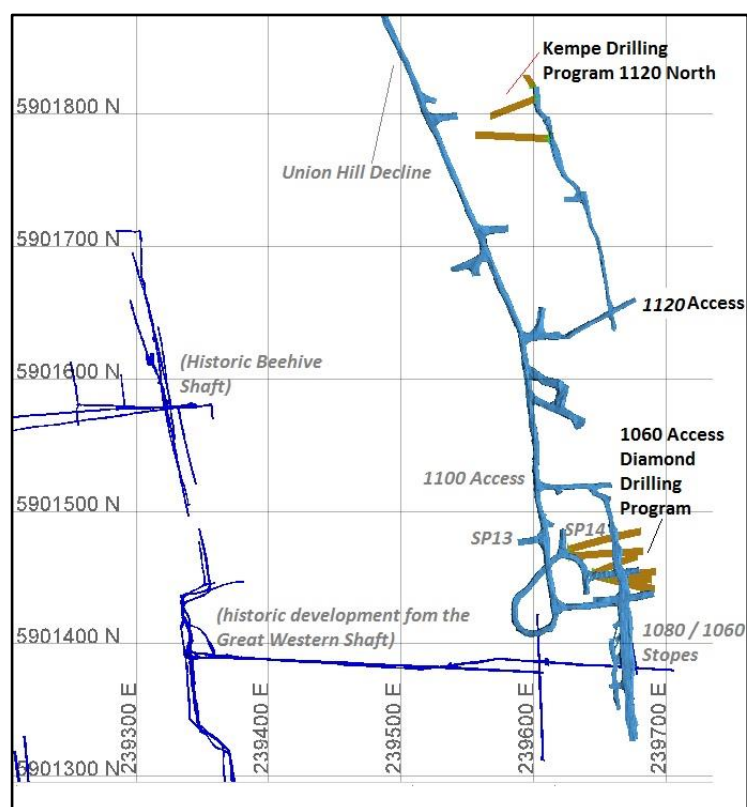


Figure 3: Plan view showing the two drilling areas

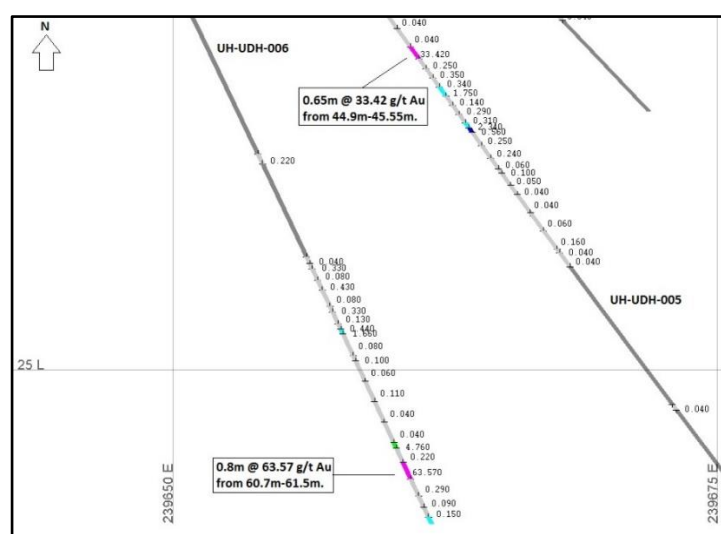


Figure 4: Drill hole section showing UH-UDH-005 and 006

One of the Maldon's key attributes is the extensive existing infrastructure and proximity to Kaiser's gold processing plant (3 km away) on a granted Mining Licence. Rapid and low-cost development could be implemented with the existing mining fleet owned by Kaiser and experienced mining team for minimal capital cost. Maldon has an established and serviced decline which allows excellent underground access for drilling high-grade shoots and is currently facilitating the underground drilling and ultimately, will assist in mining.

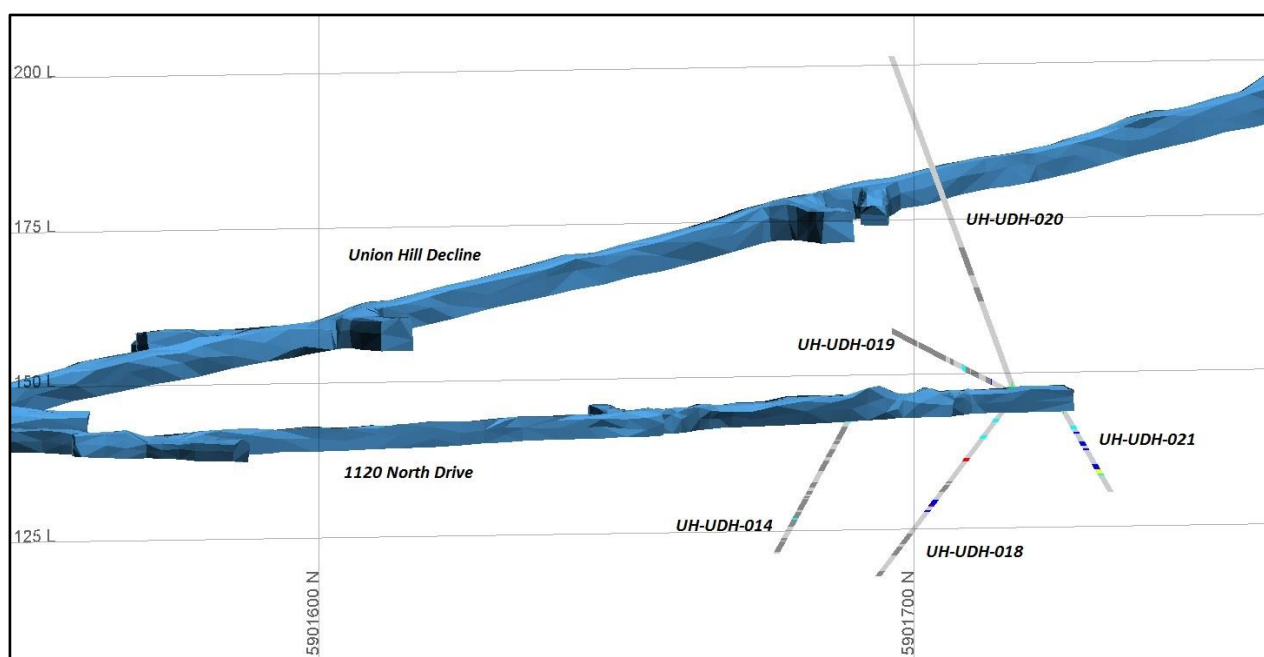


Figure 5: Long section showing the Kempe drill hole locations

The drilling programme is intended to continue for a prolonged period, with an initial programme including over 20 drillholes from underground. The programme may be extended based on results. Drilling results will be released in batches once assay results are received.

Kaiser considers Maldon to be an underexplored and extremely prospective prolific high grade historic goldfield. Exploration at Maldon is a high priority objective for Kaiser (Figure 6).

Some of the historic high-grade gold drilling results from Maldon that require follow up (Figure 7) include:

- **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**

The initial drilling program targeted regions identified as being close to the existing underground development and with historical encouraging results.

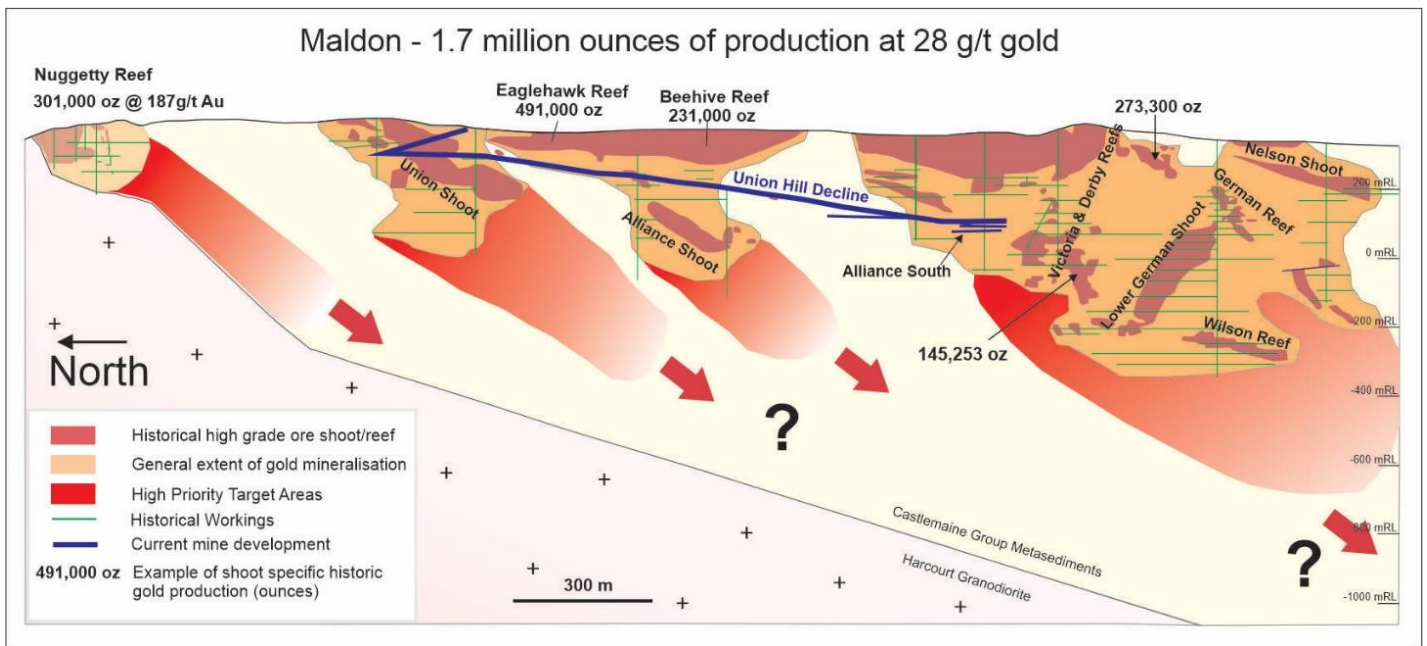


Figure 6: Long section of the Maldon gold field – showing location of the Nuggetty Reef to the North

Exploration - A1 Gold Mine

During the quarter, the final Exploration/Resource drilling results from the Queens Lode at the A1 Mine were returned – including some excellent results.

- A1UDH-453: **0.2m @ 62.1 g/t gold from 30.0m; and**
 - **10.3m @ 4.1 g/t gold** from 126.9 m; and
 - **1m @ 9.2 g/t gold** from 140.8m
- A1UDH-456: **15.9m @ 4.6 g/t gold** from 12.4m; and
 - **26.1m @ 6.2 g/t gold** from 33.6; including
 - **12.2m @ 10.3 g/t gold** from 39.8m
- A1UDH-457: **8.4m @ 7.2 g/t gold** from 14m; and
 - **9.3m @ 9.4 g/t gold**; within
 - **24.6m @ 4.7 g/t gold** from 38.4m
- A1UDH-458: **1m @ 34.1 g/t gold** from 53.9m; and
 - **0.4m @ 17.8 g/t gold** from 67.8m
- A1UDH-460: **9.6m @ 5.5 g/t gold** from 13.7m; and
 - **24.4m @ 6.7 g/t gold** from 36.6m; including
 - **12.4m @ 10.9 g/t gold** from 38.6m
- A1UDH-462: **2.1m @ 18.3 g/t gold** from 11.2m

Drilling was concluded at the A1 site with the drilling being mobilised to Maldon. The drilling has been a valuable exercise and is the first time in many years that the information required for future planning for detailed mining studies has been conducted.

Union Hill Long Section

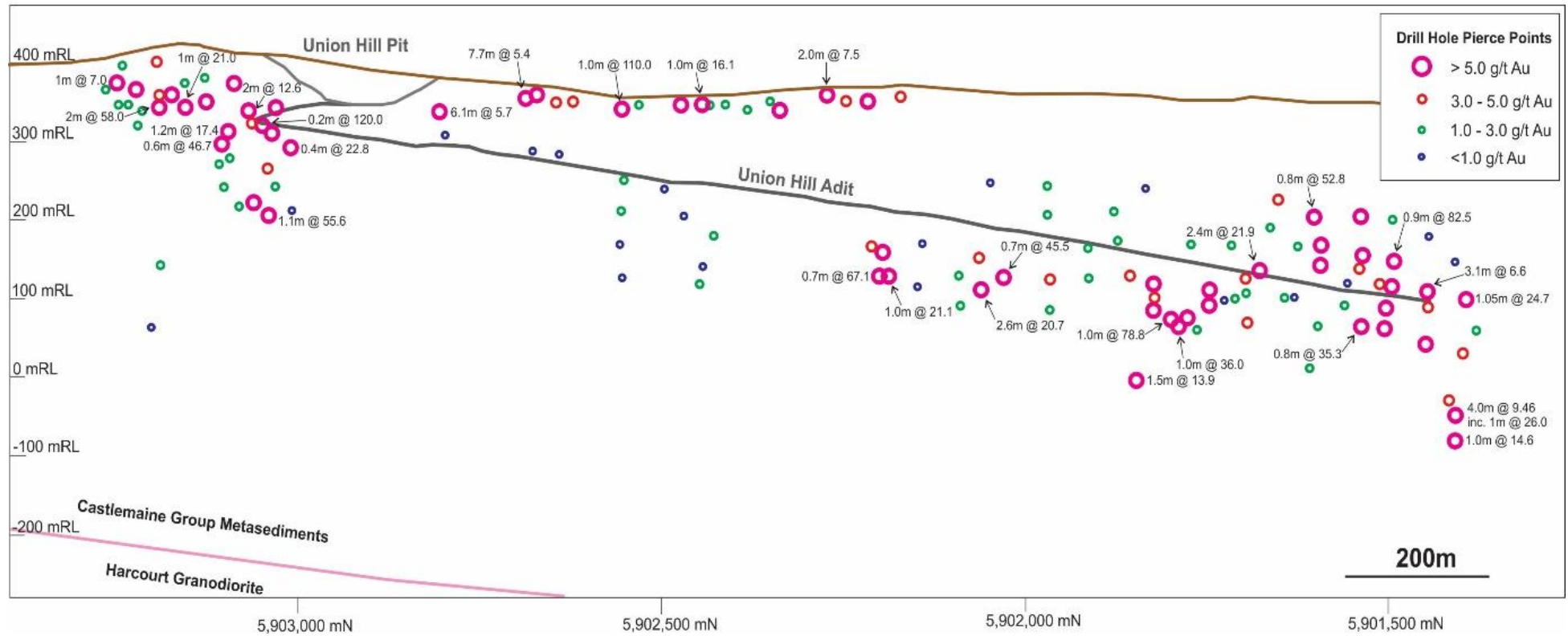
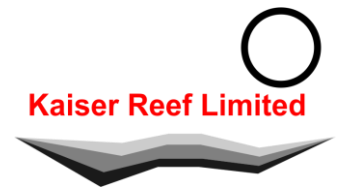


Figure 7: Long Section showing the Union Hill decline and previous drill intercepts



Corporate and Finance (unaudited)

During the December quarter, the Company appointed Tom DeVries as the General Manager-Mining across the Kaiser Reef Limited Victorian operations.

Tom is a qualified Mining Engineer with extensive and varied managerial experience having previously worked for WMC and MLM as well in various Victorian mines such as Stawell, Bendigo, Costerfield and Woods Point. Tom has over 25 years' experience in Senior Executive roles as Mining Manager and General Manager with control and responsibility for safety, risk management, production, cost, environmental, community and industrial relations.

Most recently Tom was the General Manager, Halls Creek Mining for Pantoro Limited in Western Australia, being the Registered Mine Manager and delegate Underground Manager. Tom oversaw the transition of operations at the high-grade underground Nicholson gold mine, from six months of loss making production to a consistent cash positive performance. The Nicholson mine has many similarities to the A1 and Maldon mines, with narrow vein and high-grade but irregular ore, forming the bulk of the production.

During the quarter Kaiser produced 1,939 ounces and sold gold at an average realised gold price of A\$2,474/ounce. An estimated \$1.4M to \$1.7M in gold was held in the mill liners and will be available for recovery at a later date.

Total cash held at bank as of 31 December 2021 was \$5.1M excluding \$0.73M restricted cash. No debt owing by the Company.

Use of Funds

In line with obligations under ASX Listing Rule 5.3.4, The Company provides the following information with respect to its Use of Funds Statement set out in its Prospectus dated 7 December 2020 and its actual expenditure since ASX admission on 28 January 2021.

Expenditure Item	Use of Funds	Actual Expenditure (28.01.21 – 31.12.21)	Variance
	\$'000	\$'000	\$'000
Opening cash	3,335	1,911	(1,424)
Proceeds from the Offer	7,500	7,500	-
Total	10,835	9,411	(1,424)
Expenditure on Victorian Projects	(4,821)	(1,731)	3,090
Infrastructure costs	(2,267)	(3,626)	(1,359)
Expenditure on NSW Projects	(667)	(233)	434
Cash expenses of the Acquisition	(1,350)	(964)	386
Administration and working capital	(1,730)	(2,512)	(782)
Total	(10,835)	(9,066)	1,769
Remaining cash balance			345
Net proceeds from issues of equity securities			4,752
Closing cash position			5,097
Cash balance excludes restricted cash			734

This announcement has been authorised for release to the market by Managing Director, Jonathan Downes.

For further information:

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Investor & Media Relations
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Competent Persons Disclosure

The information included in this report that relates to Exploration Results is based on information compiled by Shawn Panton (B.Sc (hons) (Geology/Earth Science), M.B.A Ex., an employee of Centennial Mining Limited. Mr Panton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Panton consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Mr Panton does not hold securities in the company.

Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Nothing contained in this announcement nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Kaiser Reef.

DECEMBER 2021 QUARTER – ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

This Report also contains information extracted from the following ASX market announcements, which includes further details (including 2012 JORC Code reporting tables where applicable) of exploration results and minerals resources referred to in this Report:

The ASX announcements made during the quarter are available for viewing on the Company's website www.kaiserreef.com.au under Investors tab. Kaiser confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

Tenement information as required by the Listing Rule 5.3.2

SCHEDULE OF INTEREST IN MINING TENEMENTS				
Project	Tenement Number	Location of Tenement	Beneficial interest held at end of the quarter	Change in holding during the quarter
Stuart Town	EL8491	New South Wales	100%	-
Stuart Town	EL8952	New South Wales	100%	-
Stuart Town	EL9203	New South Wales	100%	-
Stuart Town	EL9198	New South Wales	100%	-
Stuart Town	EL9199	New South Wales	100%	-
A1	MIN5294	Victoria	100%	-
Maldon	MIN5146	Victoria	100%	-
Maldon	MIN5529	Victoria	100%	-
Maldon	MIN5528	Victoria	100%	-
Maldon	EL7029	Victoria	100%	-