

ASX RELEASE
4 October 2022

Kaiser Record Production - commences major power upgrade at the A1 Mine

Kaiser Reef Limited (**ASX: KAU**) ("**Kaiser**" or the "**Company**") is pleased to report a record quarter of production. Kaiser is pleased with the ongoing improvements made at both the A1 Mine and the Maldon Processing plant over the past quarter with the production results highlighting the opportunities going forward.

The A1 Mine has returned profitable operational cashflow over a full year and is showing improving production rates and margins – see Figure 1. Further details have been released in the Quarterly report. Kaiser recognises that we are approaching production limits with the existing power availability and has commenced implementing a major high voltage power upgrade. The upgrade will allow Kaiser to substantially increase production, drilling and facilitate improved deep mine ventilation and various other activities well into the future of the A1 mine.

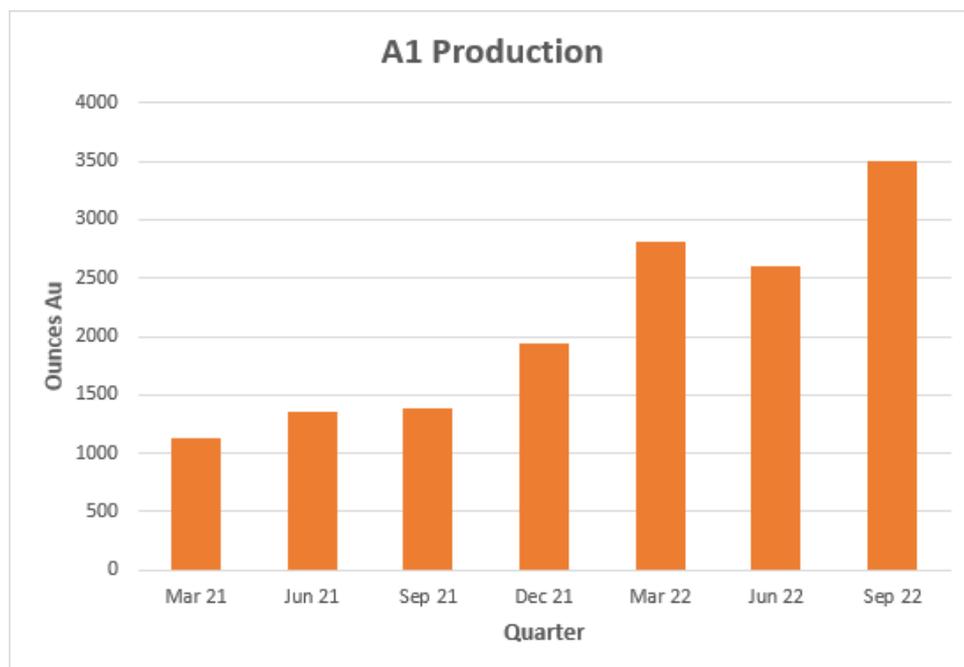


Figure 1: Quarterly Gold Production

The power upgrade is budgeted to cost approximately \$1.5M and take 4 months to install, which includes drilling an infrastructure hole (135mm) for cables, which has been contracted to DRC drilling, and refurbishing and other infrastructure such as transformers and substation installation. Operations are not expected to be significantly impacted by these activities.

Kaiser has identified a major production opportunity and we believe that the production profile at the A1 Mine has to potential to increase substantially once the power constraints have been addressed. In addition, as the operations go deeper, we are seeing higher grades that will also potentially enhance the production profile. In fact, the month of August returned an estimated 18 g/t gold grade, which is approaching our long-term target grade. An increased production rate is also expected to see unit costs fall across the business units and improved our margins.

Planning is also continuing at Maldon and the investigations around bringing our second mine into production. The Union Hill mine at Maldon, which has historically produced 2.1M ounces of gold at 28 g/t, has highly supportive development characteristics:

- Granted Mining Licence
- Proximity to wholly owned and under capacity gold processing plant
- Existing Work Plan/Mining Permits
- Existing decline, power and ventilation
- Defined open ended resources (ASX release dated 21 July 2022)

Kaiser believes that Union Hill is likely to be the next significant gold mine to be commissioned in Victoria. Preliminary engineering and drill planning has commenced. Work will include drill planning, second egress planning, power and ventilation investigation and update work as required.

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

-ENDS-

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Future Performance

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