

ASX RELEASE
8 December 2022

Gold Production Milestone Operations Update

Kaiser Reef Limited (**ASX:KAU**) ("**Kaiser**" or the "**Company**") is pleased to report a production milestone and ongoing progress at the A1 Mine and at the Maldon processing plant.

Key Recent achievements include:

- **100th Gold Bar Poured !!!**
- **Replacement leach tank and direct drive agitator installed at Maldon increasing efficiency and operational availability**
- **Remote controlled and non-remote loaders purchased to increase production capability**
- **High Voltage (HV) service power drill holes, Pilot and Reaming nearing completion with power distribution planned for Q1 CY2023**
- **Unexpected high-grade gold intercepted in the HV drilling including results:**
 - **0.7m @ 44.8 g/t gold from 55.8 metres**
 - **0.4m @ 27.0 g/t gold from 64.6 metres**
 - **0.2 @ 25.9 g/t gold from 24 metres**
 - **0.2 @ 22.9 g/t gold from 60.1 metres**

*See Attached Table with all anomalous drilling results reported.



Image 1: Kaiser Reef's 100th Gold Dore Bar (7.7 kg).

Discussion

Kaiser is extremely pleased to have poured the 100th gold bar from production at the A1 Gold Mine in Victoria. This is a credit to the whole Kaiser team! The Company continues progress towards stable and long-life operations supported by deep drill intercepts, such as released on the ASX on 23 November where 69 g/t gold was intercepted 115m below the current level of operations and approximately 50m below the deepest known historical workings at A1. The progress toward improving the mine and the processing plant have been extensive and necessary and are expected to continue to support long term, high-grade and profitable operations from the A1 Mine.

Power Infrastructure

The High Voltage (HV) power holes are another of several important infrastructure investments Kaiser has initiated. This drilling comprises a series of holes, firstly drilled to avoid areas of historical mining with a diamond pilot hole and then followed up with a 135 mm reamed out service hole that will be used to instal the HV power cables down to facilitate a major electrical power upgrade which will debottleneck mining operations. The planned programme has 4 holes drilled on separate levels and is currently 70% complete. Associated power infrastructure items have arrived on site including power cable, substations, ring main units with the power distribution board being presently manufactured locally. Generators have been ordered and can be supported by hire units if there is an unexpected delay.

The first HV pilot drill hole, UGSH-020, is indicative of the prolific nature of gold mineralisation at A1 (Figure 1). The hole was designed to avoid areas of historical mining, it none the less intercepted numerous zones of strong mineralisation, including visible gold. Assay highlights are reported below;

Hole ID	From (m)	To (m)	Length (m)	Grade (g/t Au)
UGSH-020	17	17.2	0.2	6.7
	24	24.2	0.2	25.89
	26.2	26.8	0.6	2.41
	27	30.5	3.5	4.03
includes	27.75	28.55	0.8	6.13
	31	31.5	0.5	2.66
	36.75	37	0.25	5.3
	40.9	41.4	0.5	2.56
	54.3	54.85	0.55	15.22
	55.8	56.5	0.7	44.75
includes	55.8	56	0.2	143.52
	60.1	60.3	0.2	22.88
	64.6	65	0.4	26.98
	70.85	71.15	0.3	7.72
	80.2	80.5	0.3	18.02
	99.8	100	0.2	9.44
	104.65	104.8	0.15	3.64

Table 1: Service Hole gold mineralisation



Figure 1: Cross section looking south showing the HV drill hole trace

Process Plant

The upgrade work at the Maldon processing plant is continuing with numerous major improvement initiatives underway. The most recent achievement is the installation of a new leach tank and direct drive agitator system, see image 2.



Image 2: New steel leach tank and agitator installation, underway

Mining Fleet

Kaiser has purchased further mining fleet as well as refurbished some of the original fleet in anticipation for higher future production rates. Remote control systems (Image 1) and remote control enabled equipment (Image 2) will facilitate expanded mining opportunities and improve safety.



Image 3: New remote control room and associated systems for Kaiser's remote control mining equipment



Image 4: Trucks collecting some of the additional new mining fleet (some remote control enabled) to support further production mining rate improvements

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

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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 holds 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.

Appendix 1 – UGSH-020

Hole ID	Project	Prospect	Grid	Surveyed Easting	Surveyed Northing	Surveyed Elevation_m (RL)	Achieved Hole Depth (m)	Planned Hole Depth (m)
UGSH-020	A1_DH		MGA94_55	429563.12	5848817.01	1413.840	108.100	108.50

Hole ID	Depth (m)	Survey Instrument	Azimuth	Azimuth Type	Dip	Survey Operator	Date Surveyed (DD-MMM-YYYY)
UGSH-020	9.00	Reflex Single Shot	290.65	True	-74.74	JW	03-Nov-22
UGSH-020	18.00	Reflex Single Shot	290.70	True	-74.6	JW	03-Nov-22
UGSH-020	27.00	Reflex Single Shot	290.75	True	-74.5	JW	03-Nov-22
UGSH-020	36.00	Reflex Single Shot	291.48	True	-74.4	JW	03-Nov-22
UGSH-020	45.00	Reflex Single Shot	291.24	True	-74.4	JW	03-Nov-22
UGSH-020	54.00	Reflex Single Shot	291.27	True	-74.5	JW	03-Nov-22
UGSH-020	63.00	Reflex Single Shot	291.99	True	-74.4	JW	03-Nov-22
UGSH-020	72.00	Reflex Single Shot	292.46	True	-74.6	JW	03-Nov-22
UGSH-020	81.00	Reflex Single Shot	291.83	True	-74.5	JW	03-Nov-22
UGSH-020	90.00	Reflex Single Shot	291.63	True	-74.3	JW	03-Nov-22
UGSH-020	99.00	Reflex Single Shot	290.03	True	-74	JW	03-Nov-22

Hole ID	From (m)	To (m)	Length (m)	Grade
				(g/t Au)
UGSH-020	17.00	17.20	0.20	6.70
	24.00	24.20	0.20	25.89
	26.20	26.80	0.60	2.41
	27.00	30.50	3.50	4.03
includes	27.75	28.55	0.80	6.13
	31.00	31.50	0.50	2.66
	36.75	37.00	0.25	5.30
	40.90	41.40	0.50	2.56
	54.30	54.85	0.55	15.22
	55.80	56.50	0.70	44.75
includes	55.80	56.00	0.20	143.52
	60.10	60.30	0.20	22.88
	64.60	65.00	0.40	26.98
	70.85	71.15	0.30	7.72
	80.2	80.50	0.3	18.02
	99.80	100.00	0.20	9.44
	104.65	104.80	0.15	3.64

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> All sampling results reported are from diamond drilling collared in underground mine development in the A1 Mine (MINS294). Half core was submitted for sampling. The samples were dried, crushed and pulverised, then fire assayed (30g charge) for Au at the NATA accredited Gekko Laboratory at Ballarat. QAQC protocols in place include the insertion of blanks and standards inserted at random or at more selective intervals such as immediately after samples of visible gold intersections, and insertion of higher-grade standards within samples from high grade zones.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> The most recent holes being reported are diamond drill holes from an LM90 (electrically powered rig). The most recent Diamond drilling was completed by DRC using an LM90 rig. The core diameter drilled was HQ- (63.5mm). The LM90 rig used a wire line process to recover core from the barrel.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> RQD and recovery data are recorded in the geology logs for all drilling being reported. Core loss is recorded by drillers on run sheets and core blocks placed in core trays. Core runs were generally shorter due to the nature of the drilling process and ground conditions. No significant sample loss has been correlated with a corresponding increase in Au grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant 	<ul style="list-style-type: none"> All holes reported have been logged in full, including lithology, mineralisation, veining, structure, alteration, and sampling data. Logging methods include both qualitative and quantitative parameters in assessing the prospectivity of quartz reefs and host diorite dyke and sedimentary rock. All core has been photographed before sampling.

Criteria	JORC Code explanation	Commentary
	<p><i>intersections logged.</i></p>	<ul style="list-style-type: none"> • • All intersected geology is logged, and sampling is selected based on visual controls such as visible gold, presence of sulphides and intensity of hydrothermal alteration. • Approximately 60% of each hole is sampled.
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Samples from diamond drilling were half (NQ-2) core with the second half retained on site within core trays. • Core samples were assayed at the independent Gekko laboratory located in Ballarat. After drying, samples were crushed, and pulverised to 95% passing 75µm. • Internal QAQC insertion of blanks and standards is routinely carried out. Random and select insertion is applied, i.e. blanks are inserted directly after samples containing visible gold. The Gekko laboratory has its own QAQC programme which is reported with results and a monthly QAQC review.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • The sample preparation and assay method of 30g Fire Assay is acceptable for this style of deposit and can be considered a total assay. • Industry standards are followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate is approximately 1 every 10 to 20 samples both randomly and selects positions, such as blanks inserted after samples containing visible gold. QAQC results (Both CTL and internal laboratory QAQC) are reviewed by CTL geological staff upon receipt of the assay results. No issues were raised with the data being reported.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • All field data is entered directly into an excel spreadsheet with front end validation built in to prevent spurious data entry. • Data was collected at the A1 Mine core facility and is stored on a server on site (MIN5294) with daily backups. Backed up data is also stored offsite and, in a cloud, hosted data-set. • Significant intersections are reviewed by geological staff upon receipt, to ensure the intersections match the logging data, with the checks including verification of QAQC results.
<p>Location of data points</p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • All holes are labelled during the drilling process, and all holes have been picked up by CTL mine surveyors. • Holes are labelled by drillers upon completion of the hole. • Down hole surveys were taken at 15m, and every 15m or end of hole after this with a reflex single

Criteria	JORC Code explanation	Commentary
		<p>shot camera.</p> <ul style="list-style-type: none"> • Grid used is MGA_94 Zone 55. • The topography control was received from previous operations owners and is of a high standard and consists of a DTM surface.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The completed diamond drilling programme from 1280-SP17 cuddy consisted of 22holes for 2,092m resulting target structure spacing from 7.5 – 30m, depending on hole length. • The current diamond drilling programme from the 1254 cuddy is on-going which has target structure spacing from 10 – 30m, depending on hole length. • Grade continuity has been correlated with known narrow vein structures from previous drilling and historic mining activity from the 20 – 23 level in the A1 Mine. • These drilling cuddies are positioned to establish sufficient geological and grade continuity for narrow vein god mineralization within the A1 Dyke and surrounding sediments. • Sample compositing has not been applied to the drilling programme.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Holes are positioned perpendicular to the strike of quartz reefs where possible to achieve close to true thickness. • Most of the drill angles are not expected to produce any sampling bias factors. • There is some risk of minor sampling bias from drilling through numerous mineralized zones near voids associated with old workings directly below the drilling cuddie and will be modelled accordingly.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were transported from the A1 Mine to the laboratory or the Maldon Processing Plant either by CTL staff, or contractors. Calico bags containing the sample were placed inside larger white poly weave bags, with this white bag sealed with a plastic tie. Samples that were taken to Maldon were placed in a locked security box and collected by the sole trader courier. • Core samples numbers and dispatch references are sequential and have no reference to hole number. • Core trays containing visible gold are stored inside the locked core shed until logged.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<p><i>Mineral tenement and land tenure status</i></p>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The A1 Mine is located within MIN5294 held by Centennial Mining Ltd, wholly owned subsidiary of Kaiser Reef Ltd. • Both Maldon and Centennial Mining Ltd are subsidiaries of Kaiser Reef Limited. • The A1 Mine is located at the A1 Settlement in Victoria which is 120km northeast of Melbourne. • MIN5294 is located in the eastern highland's region of Victoria, 23 kilometres south-southeast of Jamieson, within the Shire of Mansfield, on Crown Land managed by the Department of Environment, Land, Water and Planning, with small areas of freehold land abutting or overlapping the tenement. • The Mining Licence is in good standing.
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • The most recent previous underground exploration has been completed by: A1 Consolidated Gold Company Ltd.
<p><i>Geology</i></p>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The A1 Mine within the Woods Point–Walhalla Synclinorium structural domain of the Melbourne Zone, a northwest trending belt of tightly folded Early Devonian Walhalla Group sandy turbidites. • The host rocks are Devonian turbiditic metasediments of the Yarra Group which have been metamorphosed to lower greenschist facies and folded into a northwest-southeast trending series of folds. • Gold mineralisation is most abundant in quartz veins associated within reef structures, typically dilationally brecciated shear zones with branching stringer veins which define two or three vein sets. • Gold mineralisation is hosted within the A1 dyke as auriferous pyrite. • Gold at the A1 Mine has an association with sphalerite, bournonite, tetrahedrite, pyrite and chalcopyrite.
<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly</i> 	<ul style="list-style-type: none"> • Refer to Table of Drill Results

Criteria	JORC Code explanation	Commentary
	<i>explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Assays length weighted. No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The geometry of the mineralisation is explained within the text and shown in the figures.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Refer to Figures in text.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All results have been reported.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No other data to report.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Drilling will continue at the A1 Mine using an LM90 electric drill. High-voltage cable service HQ holes commenced in November 2022. Exploration from the 1254 cuddy will recommence at the conclusion of the HV programme.

