

ASX RELEASE

13 February 2024

A1 MINE PRODUCTION UPDATE

- **Production commenced on both the 21 and 22 levels (new access to historic levels);**
- **High grade gold production of 13.1 g/t mined last week;**
- **Critical production employee shortfalls now addressed;**
- **Operations commenced at the lowest modern levels ; and**
- **Started development on lower projection of the Dukes Reef- a substantial and high-grade production reef**

Kaiser Reef Limited (**ASX: KAU**) ("**Kaiser**" or the "**Company**") provides an operational update at the A1 Mine, located 23km south-southeast of Jamieson in Eastern Victoria.

Production Discussion

Kaiser has moved quickly to address several key issues that impacted the Company's operations last quarter. One of the critical challenges faced was a shortfall of essential front line underground production staff and Kaiser is pleased to report that it has very recently concluded filling these roles.

The past week saw a calculated average weekly mined grade of 13.1 g/ gold. While one week of strong performance should not be extrapolated and caution is urged when looking at production on a weekly basis, it was an encouraging outcome and well above budget plans. All airleg headings exceeded the scheduled production tonnage and grades, except for the 1220-750 heading which did not have an available miner at the time. Grade was also prioritised and the 1220-655 heading was showing visible gold and was a priority heading.

Accessing the Dukes Reef

The stripping to initiate the breakthrough into the historic 22 Level intersected the Dukes Reef earlier than expected. The Dukes Reef was historically a larger and higher grade reef from a historical production perspective, and its access down dip from the mined upper levels is a welcome and significant development. Visible gold was immediately observed within the Dukes Reef on access (Figure 1).



Figure 1: High grade visible gold in the Dukes Reef

Drilling Supports Production Planning

The most recent drilling at the A1 Mine at the 1237-680 Access Drive tested extensions and hanging wall repetitions of the Dukes and Tasma/Austral reefs.

The more recent drilling results include (ASX 30/10/2023):

- A1UDH-545: 0.9m @ **50.7** g/t gold from 51.2m
- A1UDH-539: 0.64m @ 8.0 g/t gold from 10.8m; and 0.2m @ **395.3** g/t gold from 20.4m
- A1UDH-541 0.28m @ **159.6** g/t gold from 24.9m
- A1UDH-531 2.4m @ 24.0g/t gold
- A1UDH-528 4.4m @ **117.8g**/t gold; and 0.3m @ 40.7g/t gold
- A1UDH-533 2.3m @ 28.4g/t gold
- A1UDH-537 5.4m @ 42.4g/t gold

The result for A1UD-545 is interpreted to be the Dukes Reef projected position in an intensely silicified and brecciated dyke-quartz rock (Figure 2).

An unknown reef was also intersected with similar properties/ silicification to the Dukes and Tasma/Austral reef rocks (Figure 2). This new identified reef is oriented in what has been interpreted as a repeat of the overlying reef. There was an extensive stockwork of quartz veining within the moderate sericite-albite altered dyke immediately on the footwall to this reef. These intersected stylolitic reefs have distinctive dilational brecciation with some disseminated sulphides and visible coarse gold.

Mining Approaching the Limits of Historic Drilling

Kaiser has been primarily "remnant" mining amongst the historical levels in the A1 Mine. The Company is pleased to be reaching levels which have reduced stoping as the bottom of historic mining is approached. Kaiser is currently mining the 21 Level and the 22 Level which has seen production bolstered by the discovery of mineralized structures in unmined blocks and pillars. There has been limited stoping on the 23 Level and extension of the A1 Dyke mineralisation below the 23 Level is open and unmined.

New virgin reef drilling discoveries below the 23 Level are exciting because Kaiser expects to enjoy a trend towards mining lodes previously unexploited and at grades more closer to representing the historical average.

Historic grades recovered were recorded to be approximately 25 g/t gold with a tails grade of close to averaging 3 g/t gold (ASX Prospectus 7/12/2020).

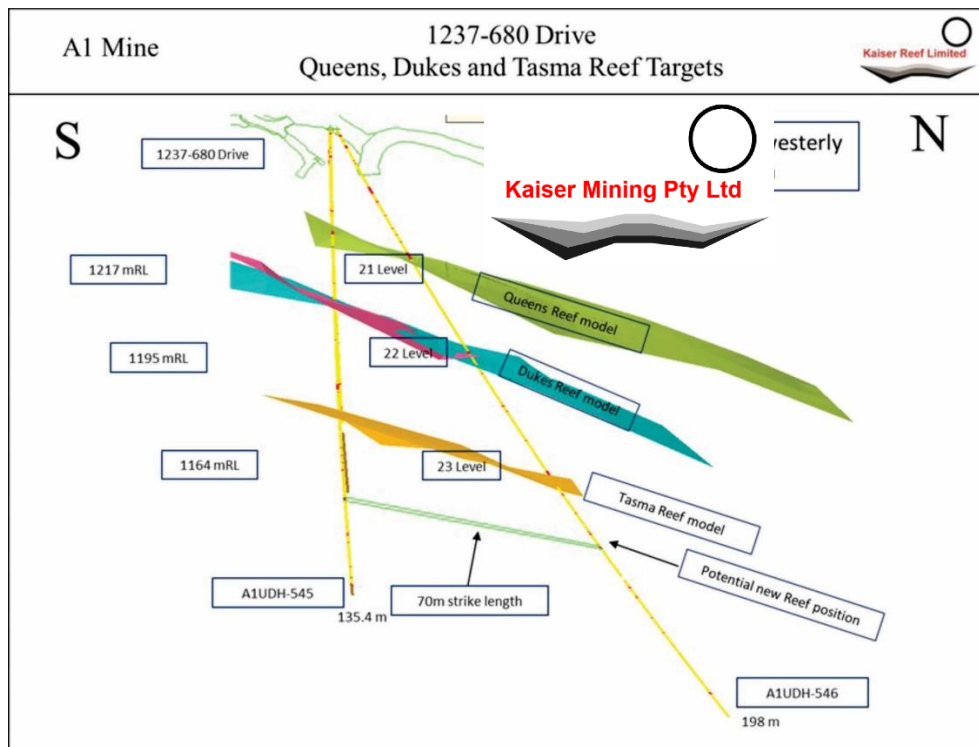


Figure 2: Oblique section with levels showing the position of drillholes A1UDH-545 and -546 and the main reef targets including the potential new reef. Figure denotes assays are awaited but these assays would be received by now. This is an old section.

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 Kaiser Reef 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

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