

30 April 2024

## **Kaiser March 2024 Quarterly Report**

### **Quarter Production and Exploration Highlights**

#### **Production Summary**

- |                                |               |
|--------------------------------|---------------|
| • Gold Revenues:               | \$5.1M        |
| • Production Costs:            | \$4.3M        |
| • Gold Produced:               | 1,597 ounces  |
| • Gold Head Grade (recovered): | 7.4 g/t gold  |
| • Gold Price Realised:         | AUD\$3,191/Oz |
| • Gold Recovery (%):           | 95.7 %        |

#### **Highlights**

- Production focused in development mining on both the 21 and 22 levels (new access to historic levels after extensive decline and infrastructure development)
- Operations now at close to the lowest levels mined and approaching unmined areas
- Critical production employee shortfalls now addressed
- Development started on lower projection of the Dukes Reef – a substantial and high-grade production reef
- Nuggetty diamond drilling program commenced
- Further mining fleet purchases

Kaiser reports on a quarter focused on accessing the lower levels of the mine. Kaiser continues its remnant ore mining operations but has identified multiple repeating reef systems at depth (Figure 1) providing further impetus to open the new levels. During the Quarter, Kaiser has substantially advanced its vision to access unmined levels of the A1 Mine – the A1 Nova. Since February 2021, Kaiser has spent over \$23.5M on development and upgrade capital which the operations have largely funded on our drive to progress into the unmined lodes. Accessing unmined territory is expected to provide improved mining efficiencies and access high-grade gold ore that was targeted by the historic miners, who averaged production of over 500,000 oz ~30 g/t gold.

Kaiser has pushed hard to approach these levels and has also significantly upgraded the operating infrastructure to facilitate access to the unmined levels. Every level that we open up as we approach the 23 and beyond level is a major milestone for Kaiser and the result of a huge amount of work and financial investment. The Company is confident that the results are expected to be realised in subsequent quarters. Cash closed the quarter at \$3.2M and Kaiser remains debt free<sup>1</sup> and unhedged. Gold sold during the quarter was 1,606 ounces.

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<sup>1</sup> Kaiser has a modest lease purchase agreement as detailed in the Appendix 5B report.

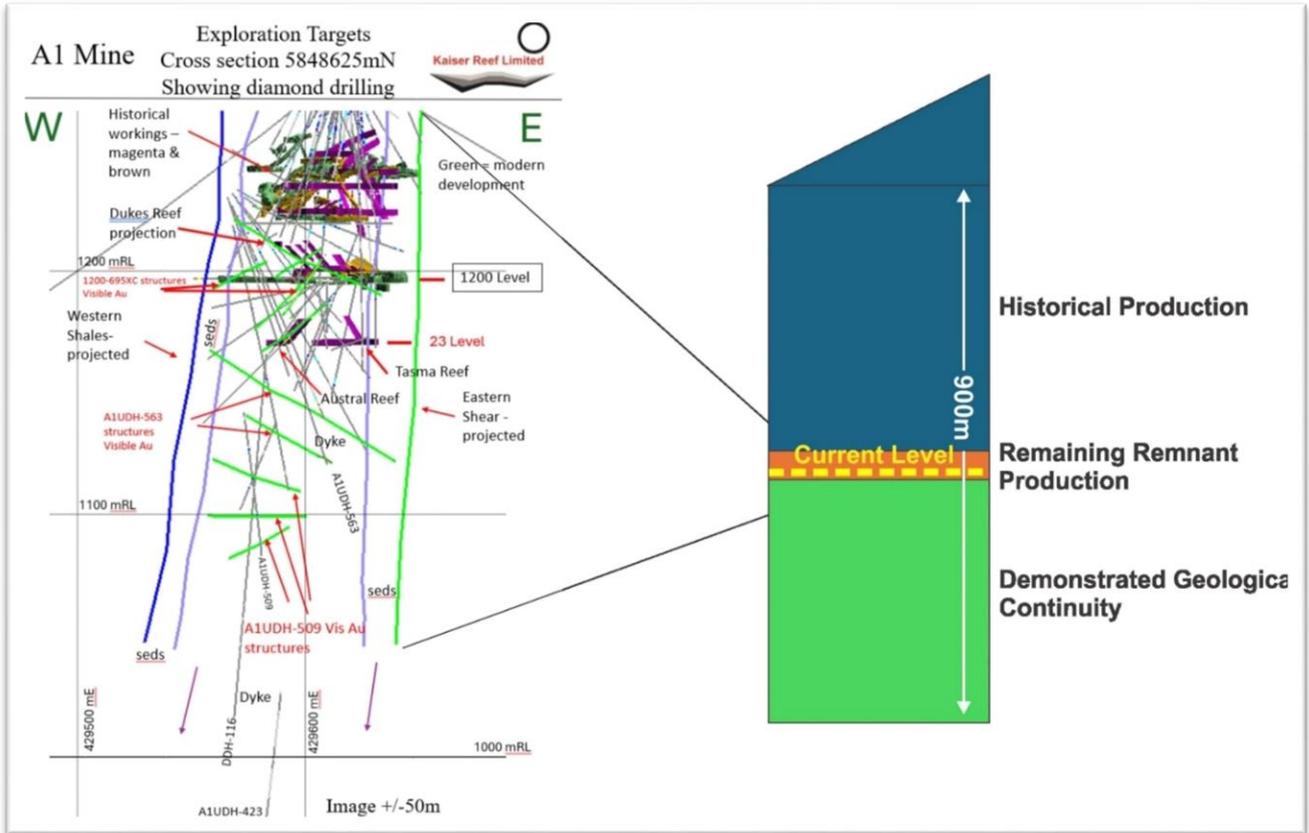


Figure 1: Cross section looking North showing the currently operations at the 21 and 22 levels with interpreted high grade gold structures marked in green



Figure 2: Volvo IT hole charger and remote controlled LHD being deliver to the mine site representing the full fleet required for increasing production

Kaiser Reef Limited (**ASX: KAU**) ("**Kaiser**" or the "**Company**") provides the following report on operational performance for the quarter ended 31 March 2024.

## **Production Discussion**

Kaiser moved quickly early in the Quarter to address several key issues that impacted the Company's operations in the December 2023 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 recently concluded filling these roles. Another challenge faced include a stope that suffered overbreak and dilution that impacted the ore grade.

Mine production and investment remained heavily focused on the development of the mining fronts to support the increasing gold production rates and establishing the infrastructure required to increase production. During the Quarter, Kaiser purchased an additional but smaller IT and another remote control underground LHD (Figure 2), also production improving safety. Kaiser believes that it has now completed building a wholly owned fleet sufficient to support the upcoming access to the A1 Nova lodes and support a substantial increase in production as an owner operator.

A summary of extraordinary investment costs associated with the work outlined included:

\$317K diamond drilling at the Nuggety Reef  
\$163K underground mining fleet  
\$622K decline investment (ongoing)

Total \$1,102K

### **Accessing the Dukes Reef (ongoing)**

The stripping to initiate the breakthrough into the historic 22 Level intersected the Dukes Reef earlier than expected. The Dukes Reef was a large and high 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 3). Production has commenced and accessing the reef through the development of a sub-level is currently underway.



Figure 3: High-grade visible gold in the Dukes Reef

## Drilling Supports Production Planning at Dukés<sup>2</sup>

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

- 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 Dukés Reef projected position in an intensely silicified and brecciated dyke-quartz rock (Figure 3). An unknown reef was also intersected with similar properties/ silicification to the Dukés and Tasma/Austral reef rocks (Figure 4). 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.

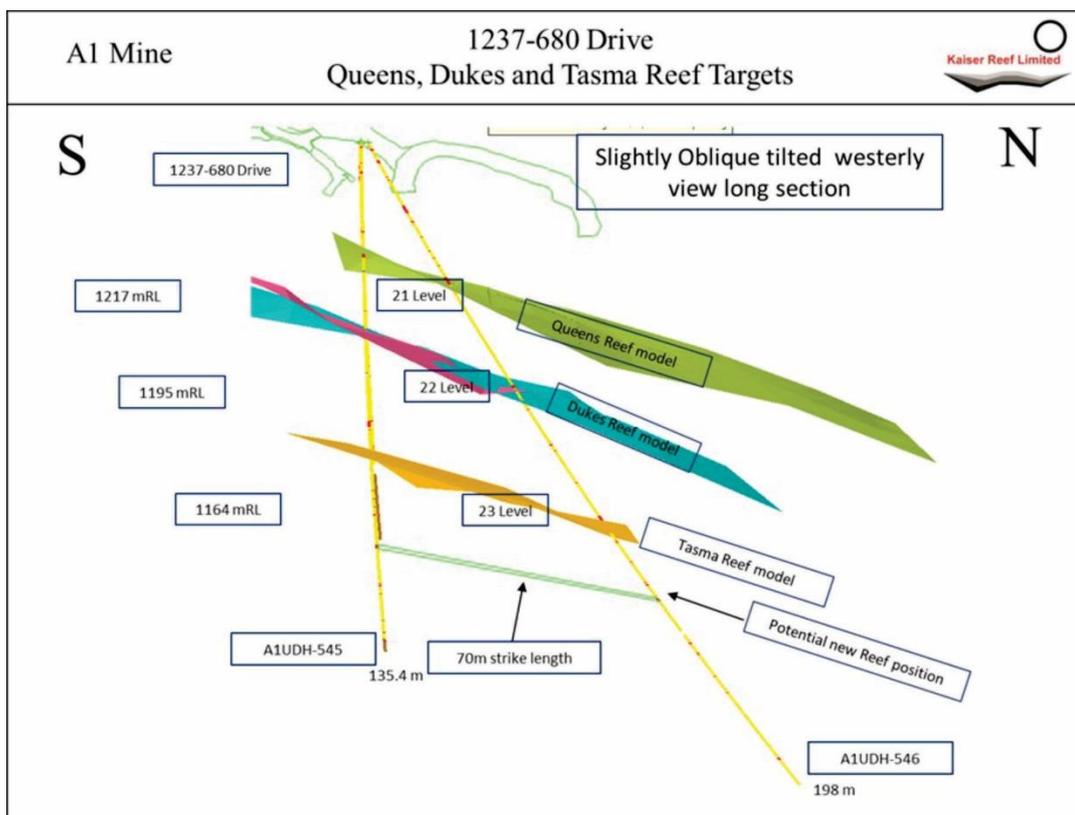


Figure 4: An historic, oblique section with levels showing the position of drillholes A1UDH-545 and -546 and the main reef targets including the potential new reef.

<sup>2</sup> Refer to ASX announcement dated 30 October 2023.

## Nuggetty Reef Drilling Program

Drilling commenced at the historic Nuggetty Reef Mine, within the wholly owned Maldon Gold Project in January 2024. The Project is part of Kaiser's Victorian Operations, which also includes the operating A1 Underground Mine and Maldon Gold Processing Plant located only 5km from the Nuggetty Reef Mine.

The Nuggetty Reef Mine (Figure 5) was one of Australia's highest-grade gold mines – with recorded production of 301,000 ounces of gold at 187 g/t. The Limited historic drilling has shown mineralisation extends with grades up to 80g/t gold.

Subsequent to the reporting period, Kaiser announced (refer to ASX announcement dated 18 March 2024) that it had completed a small (Phase 1) diamond drilling programme.

Drilling encountered mineralisation, including a best intercept of 0.3m @ 22 g/t gold (Figure 1). The first hole was targeting a recorded massive sulphide zone as recoded by historic miners. The hole deviated from the plan by lifting and passing over the announced massive sulphide target zone due to variations in natural rock formations. The second hole reached the target zone but did not intercept the recorded massive sulphide target which has raised questions over the historic mine plan mapping data. A third hole was drilled further down dip and encountered an unreported and unsurveyed historic underground working. The drill string was damaged as it attempted to cross the void and a second re-entry attempt also failed. Kaiser is encouraged by the results from this program as the target positions yielded significant quartz reefs and the local area has returned results such as 0.46m @ 205 g/t gold, 1.4m @ 9.78 g/t gold, 2.2m @ 10.3 g/t gold, including 0.4m @ 52.8 g/t gold (refer to ASX announcement dated 19 July 2021).

Kaiser will focus its efforts further down dip of the Nuggetty mine to where there is high confidence of mineralisation based on historic but properly surveyed drilling (Figure 7). It is important to stress that the exploration potential and prospectivity of the Nuggetty Mine and the rest of the Maldon Goldfield remains unchanged and extremely prospective. Kaiser is committed to advancing the Maldon goldfield.

### A best drill intercept was returned of:

- **NG\_SDH\_005:           0.3m @ 22.77 g/t gold from 258.9m**  
**0.38m @ 4.04 g/t gold from 305.3m**

The first diamond drillhole NG\_SDH\_005, successfully intercepted significant quartz reef structures and minor sulphide mineralisation in the target locations, with one significant gold occurrence of 0.3m @ 22.77 g/t gold. There was no massive or semi-massive mineralisation in the target positions.

The objectives of the initial Nuggetty diamond drilling exploration include:

- Test the historic occurrence of a massive sulphide occurrence near the lower contact of the Tarrengower / Nuggetty Shaft and the Granodiorite contact at depth
- Test for northern extensions to the massive sulphide within the Nuggetty Shear Zone

- Test the Nuggetty Shear around the Speculation Shaft and the Northern Granodiorite contact
- Follow-up an anomalous gold intersection from an old Alliance drillhole DDH057W1 (2.73m @ 42.2 g/t gold) in the southern part of the Nuggetty Shear Zone
- Delineate repetitions/extensions of the Nuggetty Reef gold deposit

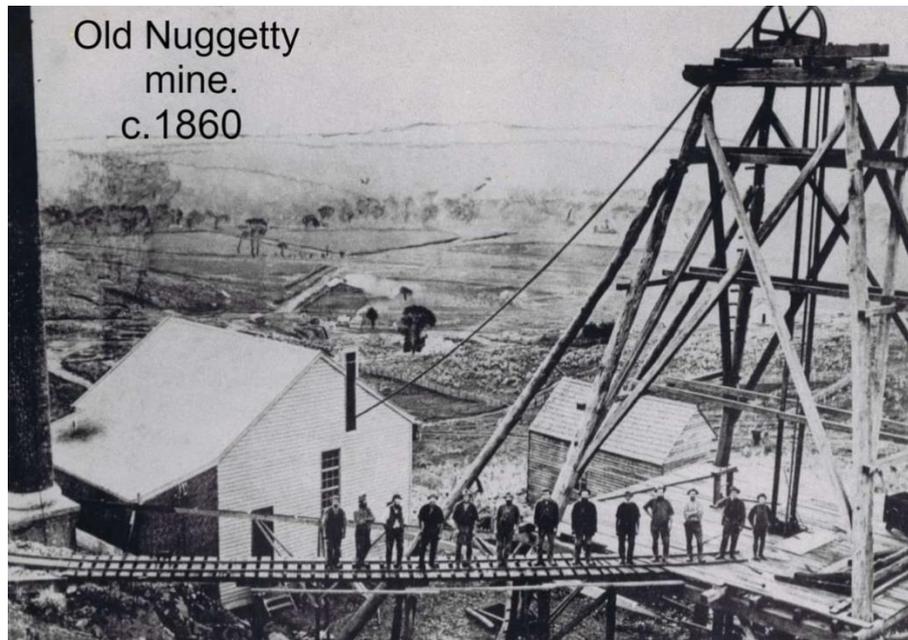


Figure 5: An historic image of the Nuggetty Reef Mine Headframe

The large 144 km<sup>2</sup> exploration licence EL7059 (Figure 6) surrounding the Nuggetty Gold Mine was granted on 10 February 2023, and covers an area substantially larger than the combined Maldon mining licences. This tenure contains several other highly prospective targets and offers access to the uniquely exciting exploration target around the Nuggetty Reef Mine which is located on a small mining licence (MIN5528), suitable for any possible future production but not for effective modern exploration due to topographical constraints. Kaiser has keenly awaited the permit to drill the Nuggetty prospect from the exploration licence. The aim of future drilling at the Nuggetty Mine will be to test down dip positions near the granite contact and following the down plunge positions of the Nuggetty Mine (Figure 7). Drilling will also be designed to delineate the bismuth mineralisation trend and coincident for a high-grade gold mineralisation. The Nuggetty shear zone continues to the south and the prospective target contact with the Harcourt granite remains essentially untested down plunge.

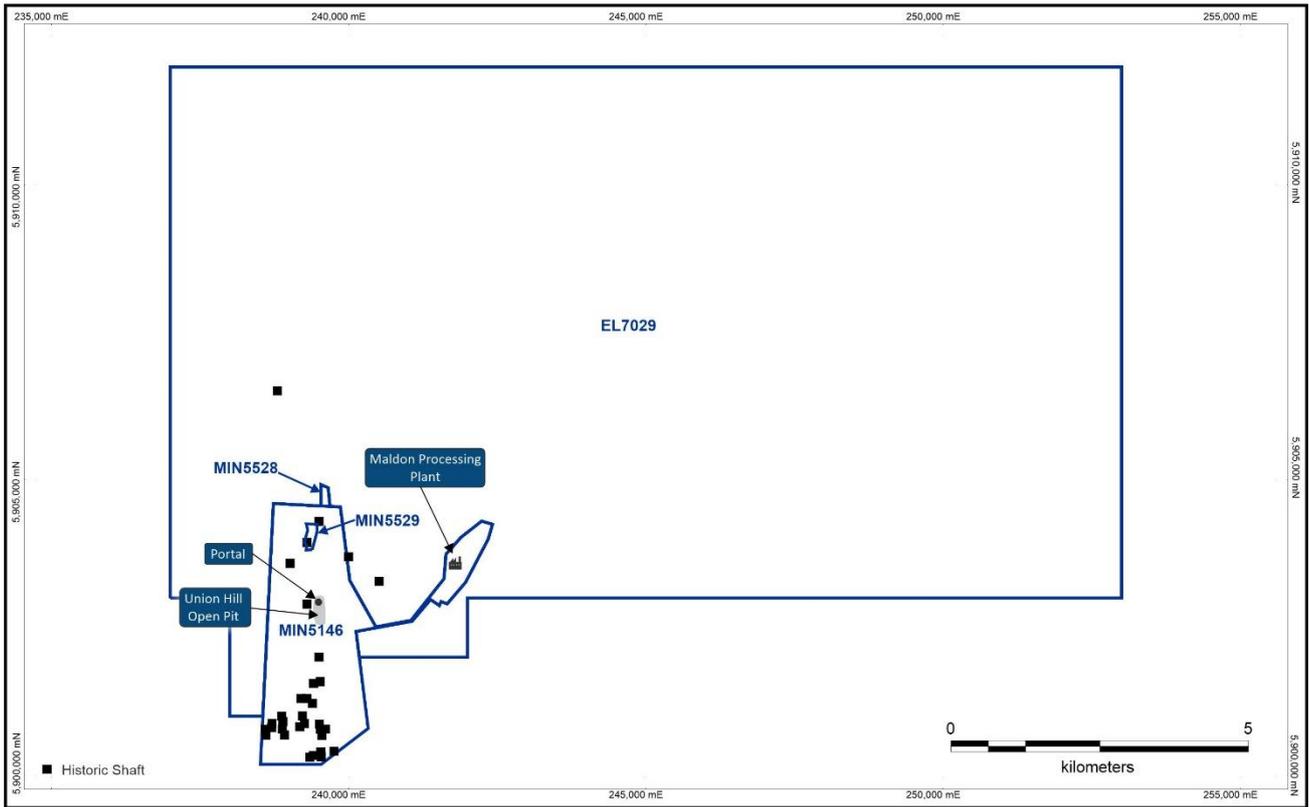


Figure 6: Plan view showing the Kaiser's Maldon Project Mining and Exploration Licences

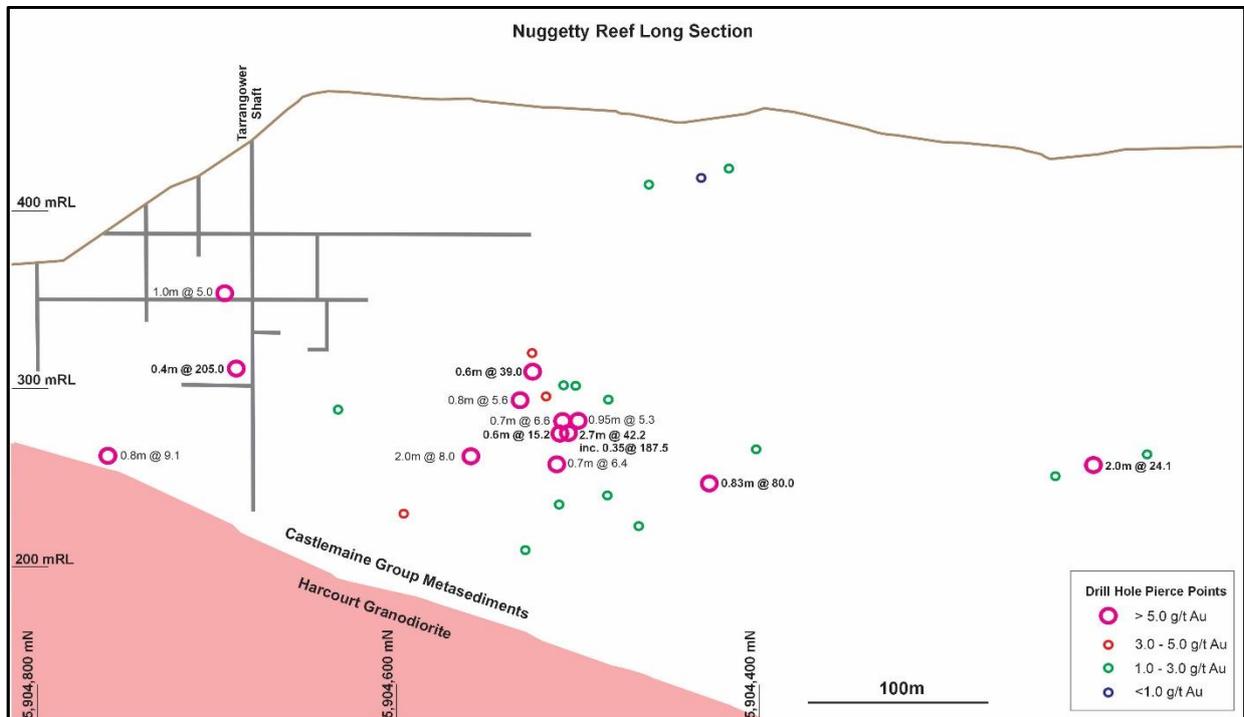


Figure 7: Long section of the Nuggetty Reef Mine and the extent of all the drilling pierce points projected

## Finance (unaudited)

During the March 2024 Quarter, Kaiser sold 1,606 ounces gold at an average realised gold price of AUD\$3,191/ounce. Kaiser remains relatively debt free<sup>3</sup> and has not entered into any gold hedging agreements.

Total cash held at bank as of 31 March 2024 was \$3.2M excluding \$0.85M restricted cash.

### Payments to related parties of the entity and their associates

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The total amount paid to related parties of the Company and their associates, as per item 6.1 of the Appendix 5B was \$210k and includes the payments to directors for fees paid during the Quarter.

**-ENDS-**

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

### **For further information:**

Jonathan Downes

Managing Director

[admin@kaiserreef.com.au](mailto:admin@kaiserreef.com.au)

## **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**

*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.*

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<sup>3</sup> Kaiser has a modest lease purchase agreement as detailed in the Appendix 5B report.

### **MARCH 2024 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:

<b>Date</b>	<b>Announcement</b>
18/04/2024	Nuggetty Reef Exploration Results
13/02/2024	A1 Mine Production Update
22/01/2024	Nuggetty Historic Gold Mine Drilling Commenced

The ASX announcements made during the quarter are available for viewing on the Company's website [www.kaiserreef.com.au](http://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.

### **COMPLIANCE STATEMENT**

This report contains information extracted from reports cited herein. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 31 March 2024 and to date. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

### **Tenement information as required by the Listing Rule 5.3.2**

<b>SCHEDULE OF INTEREST IN MINING TENEMENTS</b>				
<b>Project</b>	<b>Tenement Number</b>	<b>Location of Tenement</b>	<b>Beneficial interest held at end of the quarter</b>	<b>Change in holding during the quarter</b>
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%	-
Macquarie North	EL9623	New South Wales	100%	-
Macquarie North	EL9624	New South Wales	100%	-
A1	MIN5294	Victoria	100%	-
Maldon	MIN5146	Victoria	100%	-
Maldon	MIN5529	Victoria	100%	-
Maldon	MIN5528	Victoria	100%	-
Maldon	EL7029	Victoria	100%	-

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kaiser Reef Limited

ABN

38 635 910 271

Quarter ended ("current quarter")

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 Months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,124	19,125
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production	(2,167)	(8,917)
(d) staff costs	(2,469)	(8,914)
(e) administration and corporate costs	(94)	(549)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	19
1.5 Interest and other costs of finance paid	-	(15)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>401</b>	<b>749</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	(12)	(85)
(c) property, plant and equipment	(177)	(667)
(d) exploration & evaluation	(465)	(1,117)
(e) investments		
(f) other non-current assets	(622)	(1,749)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 Months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,276)</b>	<b>(3,618)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		3,475
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(240)
3.5	Proceeds from borrowings	(163)	(163)
3.6	Repayment of borrowings		(191)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(163)</b>	<b>2,881</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,275	3,225
4.2	Net cash from / (used in) operating activities (item 1.9 above)	401	749
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,276)	(3,618)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(163)	2,881

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 Months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,237</b>	<b>3,237</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,237	4,241
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,237</b>	<b>4,241</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(210)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

6.1 Comprises Director's fees paid during the quarter.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	(163)	(163)
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>(163)</b>	<b>(163)</b>
<b>7.5 Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Lender: De Lage Landen Pty Ltd  Amount: \$162,863.64  Interest: 7.95% per annum - fixed  Maturity date: 27 February 2027  Security: equipment purchased</p> <p><u>Financing facility subsequent to the 31 March 2024 quarter end:</u>  On the 5 April 2024 the Company entered into an insurance premium funding  Lender: Attvest Finance Pty Ltd  Amount: \$358,533.86  Interest: 3.96% per annum - fixed  Maturity date: 31 December 24  Security: unsecured</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	401
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(465)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(64)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,237
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	3,237
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 April 2024.....

Authorised by: ..... By the Board of Kaiser Reef Limited.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.