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Maldon Gold Processing Plant Upgrades

Highlights

- Kaiser Reef's Maldon gold processing plant is being upgraded with a Wolff Batch Centrifugal Concentrator Gravity Circuit and Vibrating Screen. A Terex Cone Crushing unit has been purchased for later installation.
- Plant upgrades to enhance and smooth cash flow and also improve overall gold recovery
- These upgrades to the operating Maldon processing plant advance the Company's strategy to significantly ramp up production and cashflow from its Victorian gold projects, particularly from the high-grade A1 Gold Mine

Kaiser Reef Limited (ASX: KAU) ("Kaiser" or the "Company") is pleased to advise on upgrade initiatives recently carried out at the Company's wholly-owned Maldon gold processing plant. The Maldon plant is located just 3km from the Company's Union Hill Mine, which produced 2.1 million ounces of gold, and has a processing capacity of 250,000tpa, currently operating at between 20% and 30% of its full capacity.

Gravity Circuit Installation

Kaiser has commenced installed a Wolff Batch Centrifugal Concentrator Gravity Circuit and ancillary equipment at the Maldon gold processing plant as illustrated in Figures 1 and 2.



Figure 1: Wolff Batch Centrifugal Concentrator – coarse gold gravity collector



Figure 2: Vibrating Screen and other ancillary processing equipment associated with the Gravity Circuit

The gold Gravity Circuit will collect the unusually high concentration of coarse gold observed from the Company's A1 Gold Mine after the semi-autogenous grinding (SAG) mill. This will enhance recovery by collecting coarse gold separately and earlier from the leach feed than through the current mill flowsheet.

Kaiser has previously seen gold "held up" within the processing plant because of gold's very soft and malleable nature and high density. This has required regular mill liner removal to collect the entrained gold. The Company expects this initiative to help enhance and smooth cash flow and also improve overall gold recovery. This equipment is currently being installed and should be operational by early August.

In addition, Kaiser has purchased a previously used Terex Cone Crushing unit to reduce the size of the crushed ore product from the Jaw Crusher prior to feeding ore into the SAG mill, as illustrated in Figures 3 and 4. The Cone Crusher further reduces the average rock size delivered by the Terex crusher currently in operation from 75mm down to below 25mm.

Reducing the rock size reduces the time required to grind ore in the ball mill and thereby reduces the Company's energy and power costs. This will increase the effective treatment capacity rate, leading to greater operational efficiency and reduced processing costs. The calculated payback period is approximately 8 months.



Figure 3: Terex Cone Crusher



Figure 4: Terex cone crusher and local infrastructure

These upgrades to the fully permitted Maldon processing plant advance the Company's strategy to significantly ramp up production and cashflow from its Victorian gold projects, particularly the high-grade A1 Gold Mine.

This announcement was approved for release by the Board of Kaiser Reef Limited.

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About Kaiser Reef Limited (ASX: KAU)

Kaiser Reef is a high-grade gold producer and exploration company with a clear focus on gold within the Lachlan Fold Belt. This spans across the border through NSW and into Victoria and has been a major gold producing region for Australia since the mid 1800's.

Future Performance

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