

ASX RELEASE | 31 OCTOBER 2024

Quarterly Activities Report for **Period** **Ending September 2024**

Kaiser Reef Limited (“**Kaiser**” or the “**Company**”) is pleased to report on its activities and cash flow for the quarter ending 30 September 2024. Activities during the quarter were heavily focused on development of the operations towards accessing the unmined Nova Zone. This resulted in a reduced short-term focus on production and revenue. Kaiser is extremely pleased to have now reached the Nova Zone, the result of a 30-year journey for the A1 Mine, with a strong balance sheet and record gold price. This is a very exciting result which is expected to drive significantly stronger future gold production.

Quarterly Production and Exploration Highlights – Development Focused Quarter

Production Summary

- Gold Revenues: \$4.6M
- Production Costs: \$5.1M
- Gold Produced: 1,312 ounces
- Gold Head Grade (recovered): 7.32 g/t gold
- Gold Price Realised: AUD\$3,714/Oz
- Gold Recovery (%): 95.7 %
- **Decline at the high-grade A1 Gold Mine has successfully reached the “Nova Zone” at the extremities of the historic mining. This resulted in short term reduction in gold production.**
- **Kaiser reaching the Nova Zone is a critical milestone, providing access to a target with mineralisation open at depth containing the best ore which has never been mined before. With power systems newly upgraded and ventilation works upgraded/ongoing, diamond drilling is now imminent**
- **Maldon mine engineering restart works underway to bring the mine out of Care and Maintenance (last in production when gold was in AUD\$1600’s)**
- **Ragnar Metals Limited (ASX: RAG) settles \$5.0M strategic investment into Kaiser, with funds applied to develop the A1 Nova Gold Mine**
- **Maldon gold processing plant gravity gold circuit installation complete, to improve gold recovery and smooth cash flow**
- **Cash balance of \$3.5M as at 30 September 2024**

Kaiser Reef: a high-grade gold producer and exploration company

Kaiser Reef is an Australian gold mining company operating the high-grade A1 Gold Mine in Victoria. Kaiser redoubled its focus to escape the legacy of remnant mining at the A1 Mine and drove the decline development as the highest priority, over production. This initiative has finally seen Kaiser break through into the first region of the Nova zone (Figures 1 & 2). This presents a major production opportunity that has not been available in the preceding 30 years of complex remnant mining.

Nova A1 Mine

Subsequent to the quarter end, the Company announced that it had successfully reached the Nova Zone at the margins of the historically mined A1 Gold Mine, marking a significant milestone in the Company's journey (refer to ASX announcement dated 16 October 2024).

This achievement heralds a new era for Kaiser, moving beyond the past 30 years of focusing on extracting remnant ore. Operating almost continuously since 1861, the A1 Gold Mine historically yielded approximately 800 ounces of gold per vertical metre, with some levels surpassing 1,000 ounces per vertical metre, an established benchmark for significant gold mines. In contrast, modern remnant mining over the last three decades has seen production limited to less than 237 ounces per vertical metre at the A1 mine, with the highest grades having been previously exploited. The important implication is that Kaiser will expect to recover more gold per level or vertical meter than before, and potentially at higher grades.

The Company maintains a focus on development as it plans to establish operating fronts and has been met with early success.

Kaiser has now reached a critical target at the A1 Gold Mine, termed the "Nova Zone," which has never been mined before:

- Reached new previously unmined levels
- The best ore is now in-situ and not historically exploited, with substantially more ore available per vertical metre
- Facilitates modern mine planning for increased production
- Power systems upgraded
- Ventilation works upgraded/ongoing
- Mineralisation open at depth
- Diamond drilling imminent

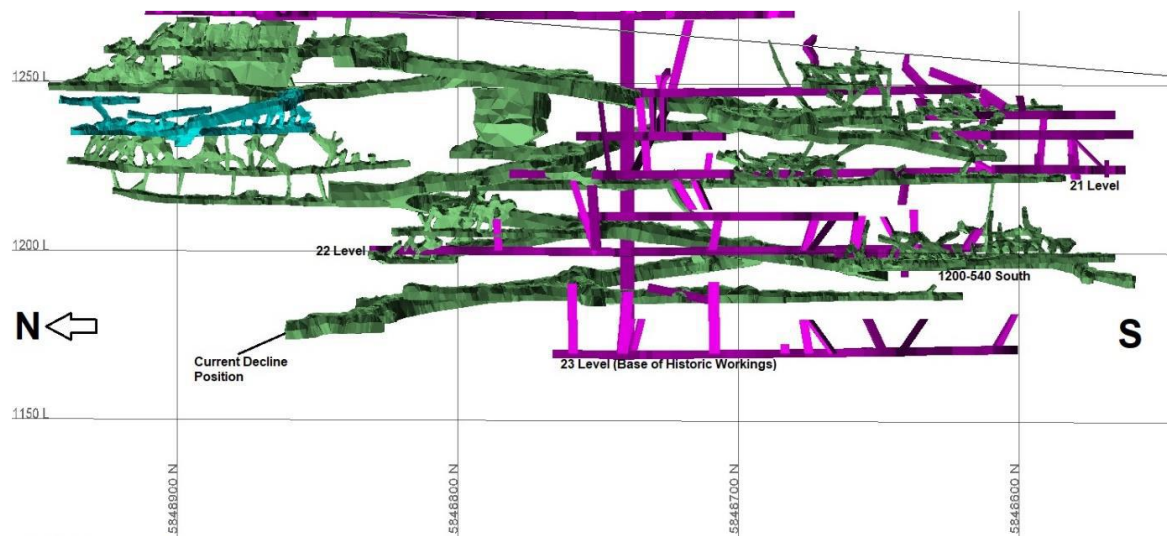


Figure 1: Long section of the lower portion of the A1 Mine, showing historic workings as well as modern planning and importantly, where the current development has crossed a critical threshold into the Nova Project.

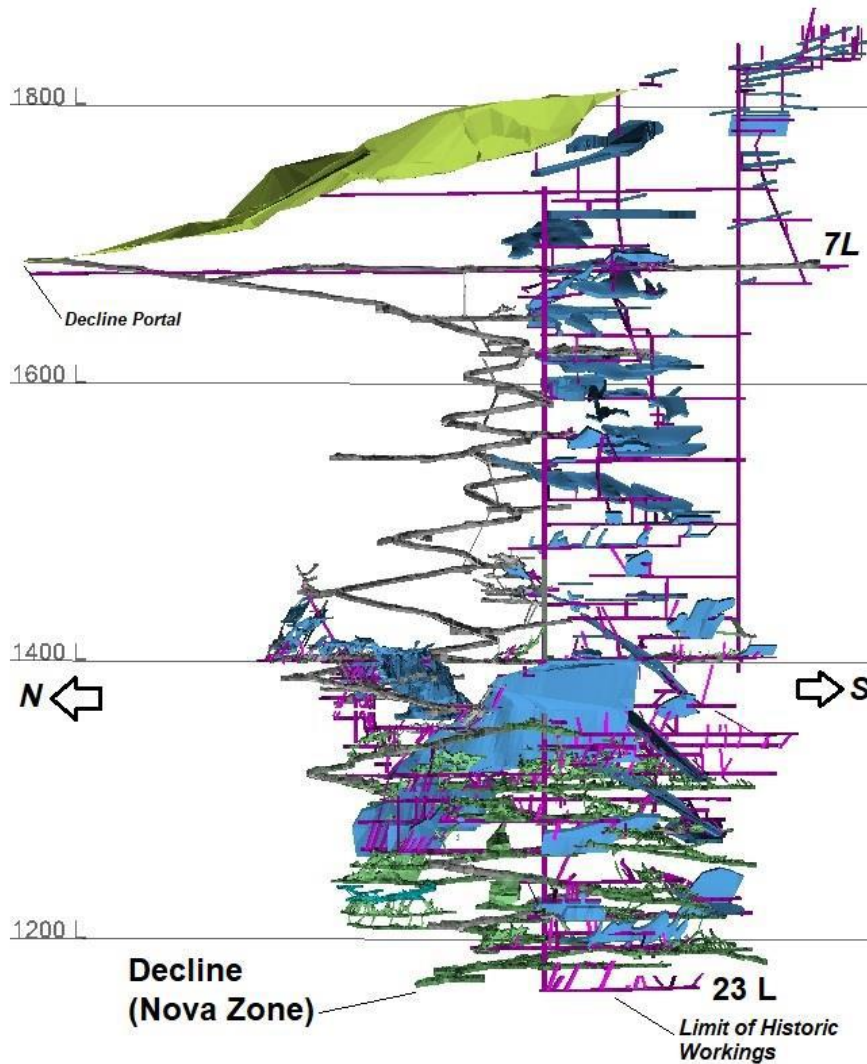


Figure 2: Long section of the A1 Mine, showing historic workings as well as modern planning and importantly, where the current development has crossed a critical threshold into the Nova Project.

Additionally, substantial upgrades to the infrastructure - including enhanced ventilation and high-voltage power systems, extended further, with some examples shown in Figures 3 – 6, have been implemented to support the development work at the mine.



Figure 3: Twin Boom Jumbo advancing the main face of the decline at the 23 Level.



Figure 4: New ventilation fan station set in shotcrete ground support.



Figure 5: Vent door closing off ventilation recirculation, set in shotcrete and cable bolts for additional ground support.

Kaiser is also pleased to report that the new extended decline has delineated several new reef systems, including an extension to the historic Tasma reef, which has very rapidly been brought into production (Figure 7). The Tasma reef is displaying numerous occurrences of visible gold. This is a positive and immediate result of the advancing development.



Figure 6: New electrical substations to distribute high voltage power.



Figure 7: High grade airleg mining on the Tasma Reef.

Maldon Gold Project

During the quarter, Kaiser implemented significant enhancements to its processing plant to boost cash flow and improve gold recovery. These advancements align with the Company's strategy to escalate production and cash flow from its Victorian gold projects, with a focus on the high-grade A1 Gold Mine.

Kaiser has now installed a Wolff Batch Centrifugal Concentrator Gravity Circuit and ancillary equipment at the Maldon gold processing plant as illustrated in Figures 8 and 9.



Figure 8: Wolff Batch Centrifugal Concentrator – coarse gold gravity collector



Figure 9: Vibrating Screen and other ancillary processing equipment associated with the Gravity Circuit

The gold Gravity Circuit is designed to capture the exceptionally high concentrations of coarse gold found at the A1 Gold Mine following the semi-autogenous grinding (SAG) mill process.

By separating and recovering coarse gold earlier and independently from the leach feed, this approach significantly improves recovery compared to 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 gravity circuit was successfully installed and commissioned during the quarter.

In addition, the Company acquired a previously used Terex Cone Crushing unit to decrease the size of crushed ore from the Jaw Crusher before it enters the SAG mill, as depicted in Figure 10.

This Cone Crusher reduces the average rock size from 75mm to below 25mm. By minimising rock size, the grinding time required in the ball mill is reduced, which in turn lowers energy and power costs.

This enhancement boosts the effective treatment capacity rate, resulting in improved operational efficiency and reduced processing costs. The estimated payback period for this investment is approximately 8 months.



Figure 10: Terex Cone Crusher

The plant upgrade initiatives were carried out at the Company's wholly owned Maldon gold processing plant which is located just 3km from the Company's Union Hill Mine, which historically produced 2.1 million ounces of gold. The plant has a processing capacity of 250,000tpa, currently operating at between 20% and 30% of its full capacity.

Corporate Activities

Completion of Strategic Investment Placement to Develop A1 Nova Gold Mine

Following Ragnar's strategic investment during the quarter, Kaiser welcomed Ragnar Metals Limited (ASX: RAG) ("Ragnar") as its largest shareholder with a 16.3% shareholding interest after the final settlement of the strategic investment placement. Kaiser shareholders approved a two tranche placement at the Company's General Meeting of shareholders held on 10 July 2024, which was settled on 18 July 2024.

The terms of Ragnar's strategic investment are as follows:

- \$5,010,000 placement in Kaiser at \$0.15 per share (no discount)
 - Tranche 1 of \$930,000 (6,200,000 fully paid ordinary shares);
 - Tranche 2 of \$4,080,000 (27,200,000 fully paid ordinary shares); and
 - 1 Unlisted Option for every 2 Shares issued (a total of 16,700,000 unlisted options), with a \$0.22 exercise price and expiry date of 31 July 2028;

- Ragnar will also receive a 1.5% NSR on gold produced from the A1 Gold Mine for a period of 5 years commencing from 1 July 2025

Subsequent to the quarter end, the Company announced that it had received firm commitments from sophisticated and professional investors for a Placement to raise \$8,050,000 (before costs) through an issue of a total of 53,666,666 fully paid ordinary shares in the capital of the Company ("Placement Shares") at an issue price of \$0.15 per share ("Placement") (refer to ASX announcement dated 21 October 2024).

The Placement will be completed in two tranches as follows:

- a. 44,166,666 Placement Shares have been issued on 25 October 2024 and pursuant to the Company's existing placement capacities under ASX Listing Rules 7.1 and 7.1A ("Tranche 1 Placement Shares"); and
- b. a total of 9,500,000 Placement Shares consisting of 3,500,000 Placement Shares which will be issued to participating Directors (along with their related parties) and 6,000,000 Placement Shares which will be issued to sophisticated and professional investors ("Tranche 2 Placement Shares"), will be subject to shareholder approval at the Company's upcoming general meeting of shareholders ("General Meeting").

This development focused investment is expected to be the final financing required to complete the development of the recently accessed Nova Gold Project. The funds from both placements have been crucial in ramping up production and accessing high-grade mineralisation at the unmined levels of the A1 Gold Mine plus the upgrades at the Maldon gold processing plant. All of this aligns with the Company's strategy to boost production and cash flow particularly from the A1 Gold Mine.

Finance (unaudited)

During the September 2024 quarter, Kaiser sold 1,248 ounces gold at an average realised gold price of AUD\$3,714/ounce. Kaiser remains relatively debt free¹ and has not entered into any gold hedging agreements.

Total cash held at bank as of 30 September 2024 was \$3.545M excluding \$0.85M restricted cash.

Payments to related parties of the entity and their associates

The Company's Quarterly Cashflow Report (Appendix 5B) follows the 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 \$199k and includes the payments to directors for fees paid during the Quarter.

Investor Engagement

During the quarter, Managing Director Jonathan Downes presented the Kaiser Reef story to the Perth capital markets and investors at the NWR Melbourne Resources Lunch. The presentation was made available to view via the ASX on 1 August 2024 and accessible on the Kaiser Reef website - [Kaiser Reef Investor Presentation August 2024](#).

Subsequent to the quarter end, on 9 October 2024 Managing Director Jonathan Downes and Non-Executive Chairman Steven Formica hosted a group of investors and capital markets participants to the Maldon Gold Processing Plant in Maldon, Victoria.

¹ Kaiser has a modest lease purchase agreement as detailed in March 2024 Quarter and June 2024 Quarter Appendix 5B reports. Together with insurance premium funding in June 2024 Quarter which allows the company to pay its insurance premium monthly.

-ENDS-

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

For further information, please contact:

Company

Jonathan Downes

E. jonathan.downes@kaiserreef.com.au

Investor Relations

Melissa Tempra

E. melissa@nwrcommunications.com.au

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 prolific Victorian goldfields. Kaiser wholly owns and operates the A1 Gold Mine, the Maldon Gold Processing Plant and the Maldon Gold Mine (currently on care and maintenance) in Victoria.

Future Performance

This announcement may contain certain forward-looking statements and opinions. 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.

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.

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 30 September 2024 and to date. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

SEPTEMBER 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:

Date	Announcement
10/07/2024	Maldon Gold Processing Plant Upgrades
17/10/2024	Ragnar settles Strategic Investment in Kaiser Reef
01/08/2024	Investor Presentation
16/10/2024	Nova High Grade Gold Milestone
21/10/2024	Development of the A1 Nova Gold Mine Placement

The ASX announcements made during the quarter are available for viewing on the Company’s website 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.

Tenement information as required by the Listing Rule 5.3.2

SCHEDULE OF INTEREST IN MINING TENEMENTS as at 30 September 2024				
Project	Tenement Number	Location of Tenement	Beneficial interest held at end of the quarter	Change in holding during the quarter
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	EL8215	Victoria	100%	-
Maldon	MIN5528	Victoria	100%	-
Maldon	EL7029	Victoria	100%	-

Notes:

*Subject to divestment – refer to ASX announcement dated 25 June 2024.

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")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	4,636	4,636
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production	(2,812)	(2,812)
	(d) staff costs - production	(2,347)	(2,347)
	(e) staff costs - corporate	(275)	(275)
	(f) administration and corporate costs	(434)	(434)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(7)	(7)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(1,239)	(1,239)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(23)	(23)
	(c) property, plant and equipment	(115)	(115)
	(d) exploration & evaluation	(140)	(140)
	(e) investments		
	(f) other non-current assets – capital development	(919)	(919)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)		
2.6	Net cash from / (used in) investing activities	(1,197)	(1,197)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,010	5,010
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	(18)	(18)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(123)	(123)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	4,869	4,869

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,112	1,112
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,239)	(1,239)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,197)	(1,197)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,869	4,869

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,545	3,545

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,545	1,112
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,545	1,112

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(199)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

6.1 Comprises Director's fees paid during the quarter.

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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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	(303)	(107)
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	(303)	(107)
7.5	Unused financing facilities available at quarter end		(110)
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>Lender: Attvest Finance Pty Ltd Amount: \$358,533.86 (only drawn monthly) Interest: 3.96% per annum - fixed Maturity date: 31 December 24 Security: unsecured</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,239)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(140)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,379)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,545
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	3,545
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.57
	<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>	
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?	
	N/A	

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

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?

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?

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:31 October 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.