KAISER REEF

ASX: KAU

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KAU commences diamond drilling to target high-grade gold at A1 Gold Mine, Victoria

Highlights

- **Kaiser has commenced an underground diamond drill campaign at the A1 Gold mine targeting the Nova zone representing unmined levels**
- **Commencement of drilling signals Kaiser's transition from remnant mining to accessing the best material that remains untapped at A1, potentially offering significantly higher ounces per vertical metre**
- **A1 historically yielded ~800 ounces of gold per vertical metre, with some levels surpassing 1,000 ounces per vertical metre**
- **Kaiser's 2023 drilling results from deep targeting at the A1 Gold Mine extended high-grade mineralisation beyond the historic mining levels**
- **This drill campaign will prove up previous high-grade intercepts and assist in future mine planning and production purposes**

Kaiser Reef Limited (**Kaiser**, or **The Company**) is pleased to announce it has commenced a **diamond drilling program** at the **A1 Gold Mine** in eastern Victoria, 23km southeast of Jamieson.

Arrival of the diamond drilling rig at the A1 Gold Mine is a significant step in the Company's planning for future mining and production.

Managing Director Jonathan Downes commented:

"Kaiser is thrilled to commence our diamond drill campaign targeting untapped, high-grade material at the A1 Gold Mine. With the mine's historical yield of about 800 ounces per vertical metre, and some levels exceeding 1,000 ounces per metre, we believe this campaign has the potential to significantly enhance future production. Recent drilling results, which extended high-grade mineralisation beyond historic levels, give us great confidence as we start a new and exciting phase for the A1 Gold Mine."

Kaiser recently reported a major milestone by reaching the Nova Zone at the lower edges of the historically mined A1 Gold Mine, as detailed in the ASX announcement from October 16, 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 past 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.

Kaiser last reported encouraging drilling results on 30 October 2023 from deep targeting at the A1 Gold Mine that have extended high-grade mineralisation, beyond the historic mining levels (below the 23 level). The drillholes targeted longer term mining discoveries. The results from this program gave the Board the confidence to proceed with an aggressive mining development programme to access the Nova Zone, which is ongoing. Some of the results from the last program are listed below.

Best results included*:

- **A1UDH-543: 5.7m @ 9.2 g/t gold from 38.5m**
- **A1UDH-545: 0.9m @ 50.7 g/t gold from 51.2m**
- **A1UDH-546: 1.5m @ 8.0 g/t gold from 140.2m**
- **A1UDH-547: 0.6m @ 24.1 g/t gold from 53.35m**
- **A1UDH-548: 1.6m @ 47.8 g/t gold from 25.6m; including**
  0.8 m @ 93.7 g/t gold from 26.4m; and
  0.2m @ 36.1 g/t gold from 40.8m
- **A1UDH-555: 0.8m @ 118.4 g/t gold from 6.4m**
- **A1UDH-558: 2.2 m @ 6.9 g/t gold from 49.8m**
- **A1UDH-559: 2.65m @ 21.1 g/t gold from 96.2m; including**
  0.45 m @ 115.8 g/t gold from 98.4m
- **A1UDH-562: 0.7m @ 30.8 g/t gold from 14.6,m; and**
  1.4m @ 20.8 g/t gold from 35.9m; and
  0.35m @ 14.4 g/t gold from 69.4m
- **A1UDH-563: 0.9m @ 30.5 g/t gold from 70; and**
  0.55m @ 42.4 g/t gold from 123.95

Previous drilling successfully identified many high-grade drill intercepts that present exciting opportunities and proof of ongoing high-grade mineralisation (Figure 2 and 3). The later grouping of holes was targeting the down-dip extension to Perseverance Reef and other west-dipping structures, orthogonal to Queens, Dukes and Tasma Reefs.

Drill hole A1UDH-563 was very successful and significant, after intersecting at least four auriferous quartz structures and another very promising stylolitic quartz vein, possibly an extension to the Austral Reef. At least three of these veins are west-dipping and some are new discoveries as they are below the historic 23 Level.

The exploration models are well understood with 160 years of mining history and targeted mineralised structure orientations in the southern A1 dyke areas include:

- Dipping -45 to -60º towards 060-080
- Dipping -30 to -45º towards 240-280
- Possible -20 to -40º towards 180 “Mutton Fat” reefs or Sovereign Reef analogies.

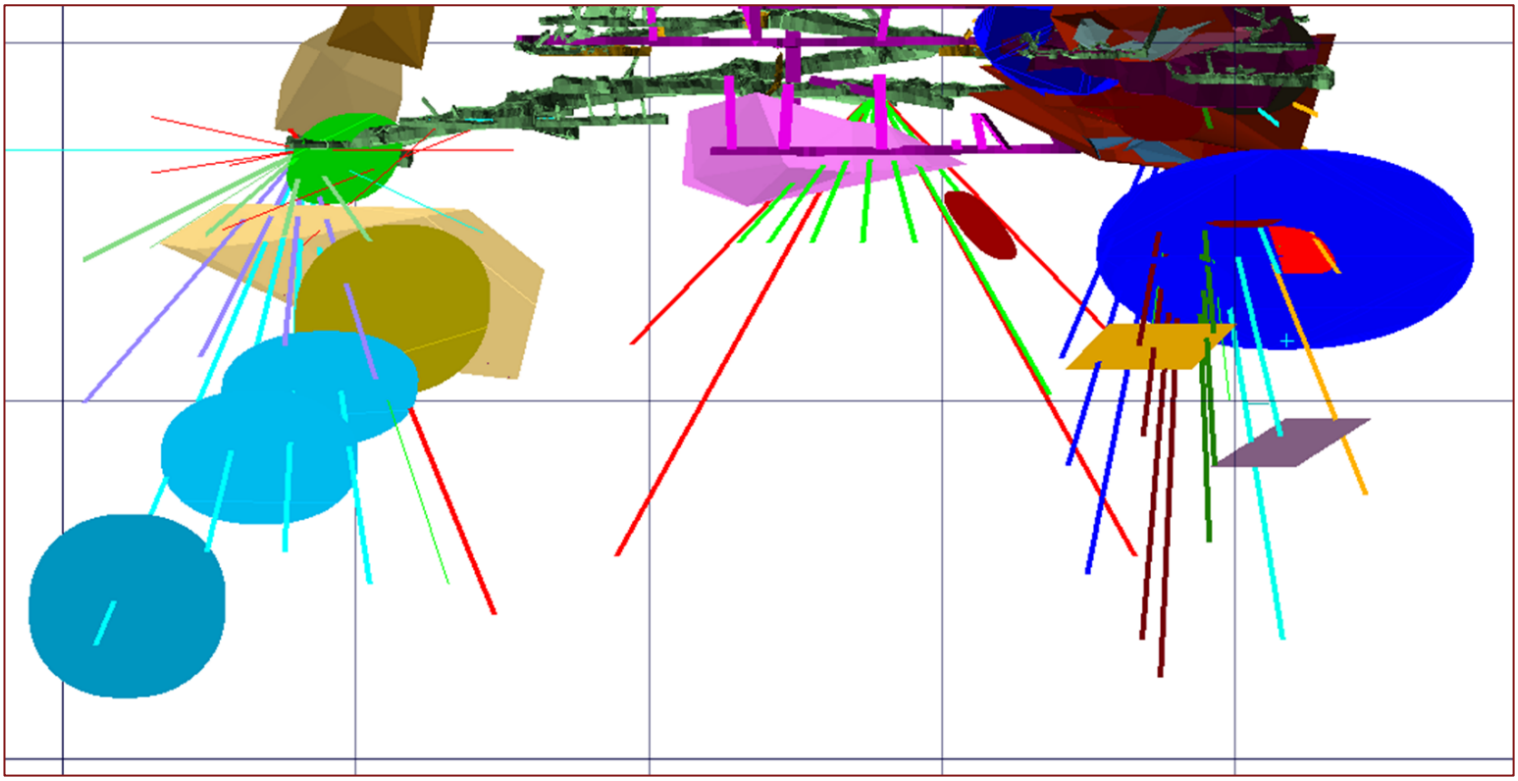

Figure 1: Long section of the A1 Gold mine showing the initial planned drilling

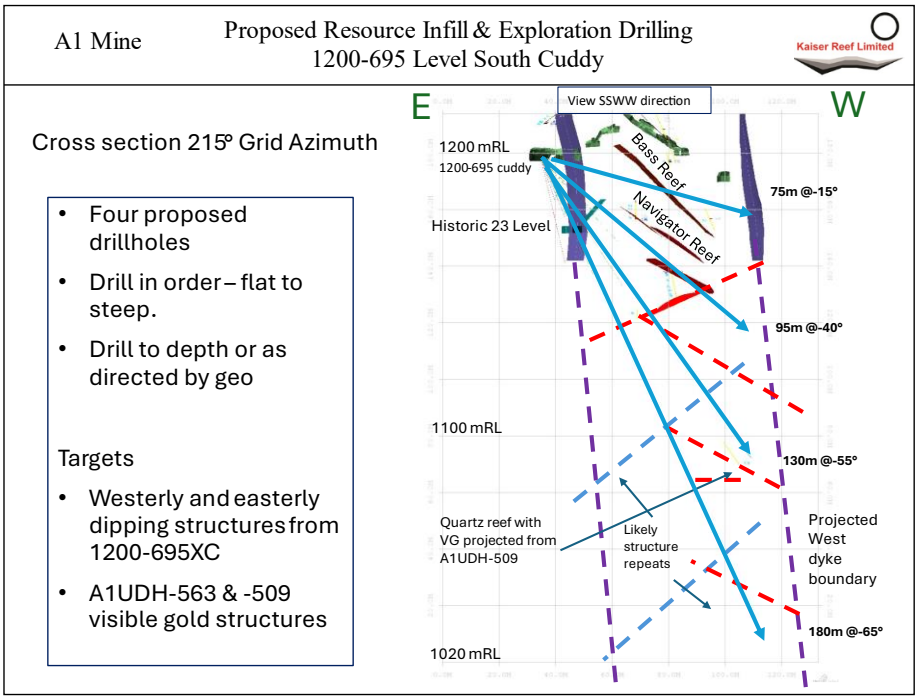

Figure 2: Cross section of a proposed target area for 215 Azimuth

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

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About Kaiser Reef Limited (ASX: KAU)

Kaiser 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. Kaisers licences have produced over 2.5 million ounces of gold and are the subject of either ongoing exploration or development and exploration review. Kaiser has a strong growth pipeline and wholly owns the operating Maldon Gold Processing plant.

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 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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• All sampling results reported are from diamond drilling collared in underground mine development in the A1 Mine (MIN5294). • 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	• *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.).*	• The most recent Diamond drilling was completed using an LM90 rig (electrically powered rig). The core diameter drilled was NQ-2 (50.6mm), with the core orientated using a Reflex ACT II orientation tool. • The LM90 rig used a wire line process to recover core from the barrel.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature*	• 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

Criteria	JORC Code explanation	Commentary
	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.*	nature of the drilling process and ground conditions. • No significant sample loss has been correlated with a corresponding increase in Au grade.
Logging	• *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 intersections logged.*	• All drillholes 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. • This program was targeting the quartz reefs and mineralised diorite below the historic 20 Level within the A1 Mine. • All intersected geology was logged, and sampling was selected based on visual controls such as visible gold, presence of sulphides and intensity of hydrothermal alteration. • Approximately 30% of each drillhole is sampled.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 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 was routinely carried out. Random and select insertion was applied, i.e. blanks inserted directly after samples containing visible gold. The Gekko laboratory has its own QAQC program which is reported with results and a monthly QAQC review.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• 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 were followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate was approximately 1 every 10 to 20 samples both randomly and selected positions, such as blanks inserted after samples containing visible gold. QAQC results (Both Kaiser and internal laboratory QAQC) were reviewed by Kaiser geological staff upon receipt of the assay results. No issues were raised with the data being reported.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All data was 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 was stored on a server on site (MIN5294) with daily backups. Backed up data was also stored offsite and, in a cloud, hosted dataset. • Significant intersections were reviewed by geological staff upon receipt, to ensure the intersections matched the logging data, with the checks including verification of QAQC results.
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drillholes were labelled during the drilling process, and all drillholes have been picked up by Kaiser mine surveyors. • Drillholes were labelled by drillers upon completion of the hole. • Downhole surveys were taken at 15m, 30m and every 30m or end of hole after this with a reflex single shot camera. A Multishot was surveyed on retreat from the hole. • Grid used was MGA_GDA94. • 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	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Drilling cuddies are positioned to establish sufficient geological and grade continuity for narrow vein gold mineralisation within the A1 Dyke and surrounding sediments. • Sample compositing was not applied to the drilling program.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Drillholes were positioned perpendicular to the strike of quarts reefs where possible to achieve close to true thickness. • Most of the drill angles are not expected to produce any sampling bias factors. • There was some risk of minor sampling bias from drilling through numerous mineralised zones near voids associated with old workings. These will be modelled accordingly.
Sample security	• *The measures taken to ensure sample security.*	• Samples were transported from the A1 Mine to the laboratory or the Maldon Processing Plant either by Kaiser staff, or contractors. Calico bags containing the samples 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 drillhole number. • Core trays containing visible gold are stored inside the locked core shed until logged.

Criteria	JORC Code explanation	Commentary

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The A1 Mine is located within MIN5294 held by Kaiser Mining Pty Ltd. It is located at the A1 Mine Settlement in Victoria which is 120km northeast of Melbourne. • MIN5294 is located in the eastern highlands region of Victoria, 23 kilometres south-southeast of Jamieson, within the Shire of Mansfield, on Crown Land managed by DEECA, with small areas of freehold land abutting or overlapping the tenement. • The Maldon processing facility (Kaiser Operations) and Kaiser Mining Pty Ltd are subsidiaries of Kaiser Reef Limited. • The Mining Licence is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The most recent previous underground exploration has been completed by: A1 Consolidated Gold Company Ltd.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The A1 Mine lies 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.

Criteria	JORC Code explanation	Commentary

Drillhole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*
	  ○ *easting and northing of the drillhole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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 explain why this is the case.*
		• Refer to Table of Drill Results

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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.*	• Assays length weighted. • No metal equivalents have been reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drillhole 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 (e.g., 'down hole length, true width not known').*	• The geometry of the mineralisation is explained within the text and shown is the figures.
Diagrams	• *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 drillhole collar locations and appropriate sectional views.*	• Refer to Figures in text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.*	• All results have been reported.
Other substantive exploration data	• *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.*	• No other data to report.
Further work	• *The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Refer to Figures in text.

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	