

ASX RELEASE

22 January 2024

“NUGGETTY” HISTORIC GOLD MINE DRILLING COMMENCED

Drilling one of Victoria’s highest-grade and most prospective goldfields

Kaiser Reef Limited (**ASX: KAU**) (“**Kaiser**” or the “**Company**”) is pleased to announce drilling has commenced at the 100% owned, Maldon Gold Project, located 140km North-west of Melbourne (Figure 1). The Project is part of the Company’s Victorian Operations, which also includes the operating A1 Underground Mine and Maldon Gold Processing Plant.

HIGHLIGHTS

- **Diamond Drilling commenced targeting the Tarangower/Nuggetty Reef Gold Mine, part of the Maldon Goldfield**
- **The Nuggetty Reef Gold Mine (Nuggetty) was one of Australia’s highest-grade gold mines – with recorded production of 301,000 ounces of gold at 187 g/t.**
- **Limited historic drilling has shown mineralisation extends with grades up to 80 g/t gold historical drilling**
- **The first Drill target is an extension of the previously identified massive sulphide mineralised zone**
- **Nuggetty located less than 5km from Kaiser’s operating Maldon gold processing plant**

The Maldon goldfield historically produced over **2.1 million ounces of gold**. The Nuggetty mine is in the Northern part of the goldfield, and was one of Australia’s highest-grade gold mines – with recorded production of 301,000 ounces of gold at a grade of 187 g/t.



Figure 1: The diamond drilling rig on site and operating at the Nuggetty gold mine

Kaiser's Managing Director, Jonathan Downes, commented:

"We are excited by the potential to extend and discover further high-grade gold mineralisation at the Nuggetty Reef mine. We have all the ingredients and know the mineralisation is open ended.

"The Maldon gold field has an impressive history, having produced 2.1 million ounces of gold at an average grade of 28 g/t, and the goldfield remains significantly underexplored. If this deposit was located in Western Australia, it would already have had multiple lives and systematic exploration, but in Victoria it has remained largely untouched since a major flooding event in 1918. There is potential not just for extensions, but for entire parallel systems and we are looking at this drill programme as a start to ongoing exploration activity."

Summary

Kaiser has commenced a diamond drilling programme targeting gold mineralisation within the wholly owned Maldon Gold Project. Exploration will be targeting extensions to the **2.1M ounces of historic gold production** that ceased production prematurely.

Kaiser's primary focus in this programme is the Nuggetty Mine, located within its wholly-owned, granted Mining Licences with substantial nearby existing infrastructure, including JORC Resources, a processing plant, currently treating ore from the A1 Mine, less than 3 kilometres from the Union Hill decline. The extensive infrastructure provides a rapid and low-cost development pathway into production within the wholly owned multimillion ounce goldfield.

The permit to drill provides Kaiser with the first opportunity to properly drill test the proven and open-ended mineralisation down plunge from the Nuggetty Mine (301,000 oz historically produced at 187 g/t gold; Figure 2). The prospect of finding another lode like this would be an exciting result for Kaiser, allowing the Company to leverage its strategic local exploration and production experience and extensive existing infrastructure.

Nuggetty Drilling Programme

The proposed diamond drilling plan comprises up to nine collar locations around the Nuggetty licence area. The total program will comprise up to 16 (+two daughter wedges within) diamond holes for 4,255m, which includes some provision to follow-up significant intercepts at each site during a phase-approach diamond drilling campaign. The first drillhole will target a documented, massive sulphide mineralised lode close to the base of historical mining proximal to the granodiorite/host rock contact.

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 Au) in the southern part of the Nuggetty Shear Zone.
- Delineate repetitions/extensions of the Nuggetty Reef gold deposit

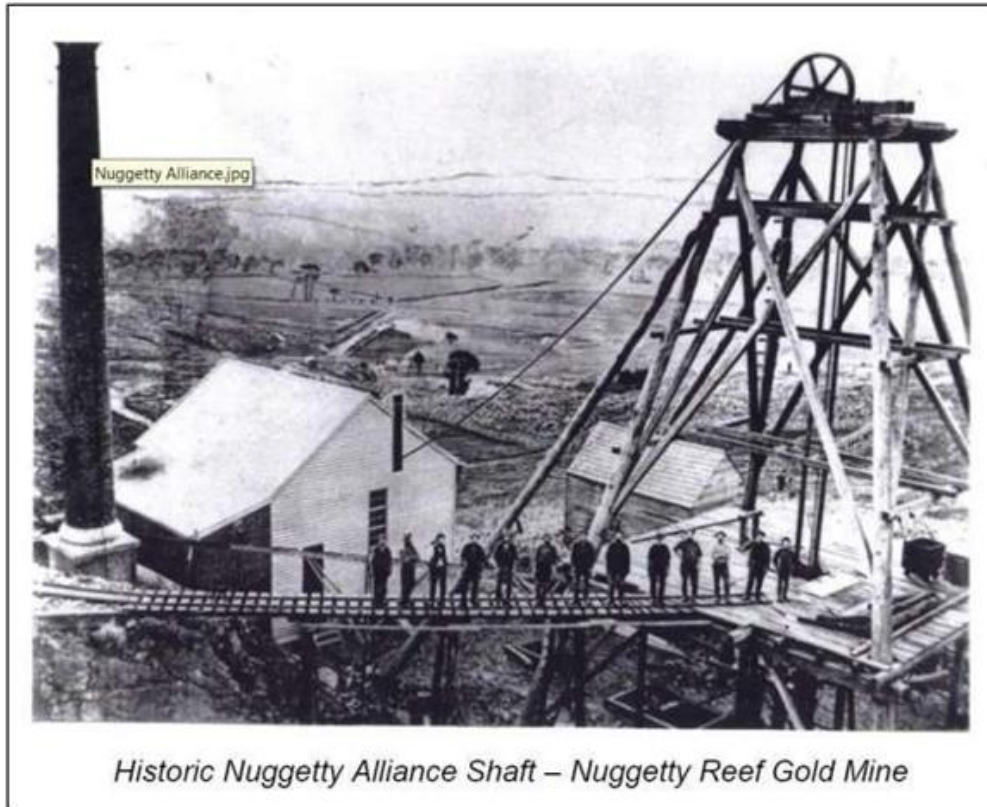


Figure 2: A historic image of the Nuggetty Reef Headframe

The large 144 km² exploration licence EL7059 (Figure 3) 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 4). 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.

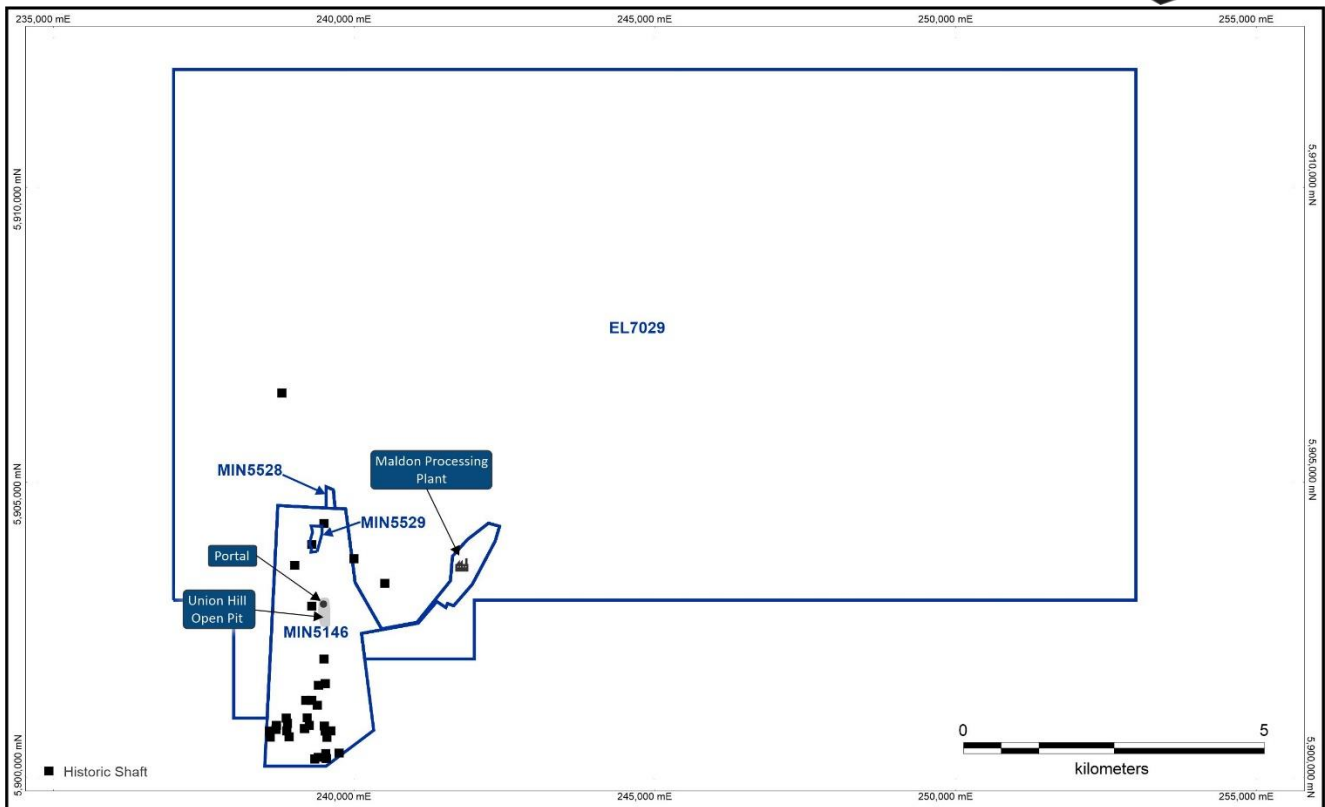


Figure 3: Plan view showing the Kaiser mining licences as well as the new granted Exploration Licence 7029

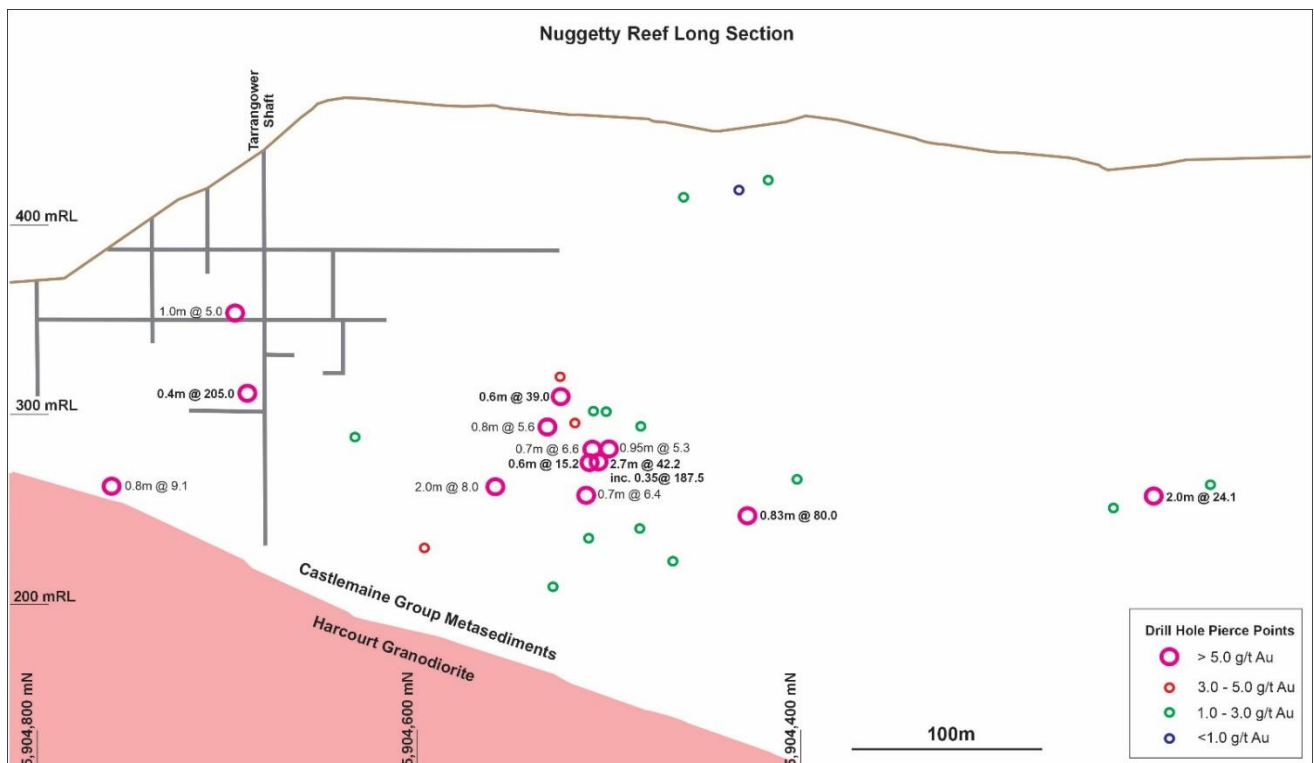


Figure 4: Long section of the Nuggetty Reef Mine and the extend of all the drilling pierce points projected

Maldon Goldfield – Other Opportunities

Mineralisation at Maldon is typically high grade and is believed to be the function of the interaction of classic Victorian sedimentary hosted gold with the high temperature Harcourt Granodiorite intrusive unit. Importantly, the mineralisation forms in sub vertical high-grade shoots, rather than the typical Victorian saddle reefs, and will allow for conventional future mining. Flooding prematurely terminated the mining operations at Maldon in 1918 and the project has seen limited modern exploration or deep drilling. Kaiser is active at Maldon with Kaiser's operational Maldon processing plant, currently treating ore from the A1 mine, located approximately 5km Southwest of the Nuggetty deposit.

Four primary types of targets have been identified at the 2.1Moz Au Maldon Goldfield. The initial drill programme is targeting the Nuggetty Gold Mine. The four targets are outlined below:

1: The Nuggetty Gold Mine

- Produced 301,000 ounces of gold at a grade 187 g/t gold
- High-grade mineralisation open down plunge
- Exploration Licence was granted earlier this year, and facilitates Nuggetty exploration activities

2: The Union Hill Gold Mine

- The Union Hill Gold Mine
- 100% owned Maldon goldfield produced **2.1 million ounces of gold at an average grade of 28 g/t gold*** (including The Nuggetty Gold Mine)
- Permitted to Mine and Process - Operating gold plant currently treating ore from the high-grade A1 Gold Mine
- Established serviced decline provides underground access for drilling high-grade mineralisation and facilitating underground drilling and potential development
- Existing Resource Base

3: The German Reef

- The German Reef is the deepest reef mined at Maldon.
- The lowest drive, with a strike of 150 metres showed a rich ore body averaging 2.4m wide and grading 16 g/t gold
- The historic miners encountered a water bearing reef in 1917 that flooded the mine and largely resulted in the closure of the operations despite being in strong ore
- Kaiser now keeps the operation dewatered using modern Mono Pumps and grid power with water used in the mill and the balance delivered to local farming groups
- The German Reef target **has never been drill tested**

4: Regional Exploration

- Parallel Goldfields under shallow cover (estimated at 2m to 12m) cover to the East of Maldon
- Results include historic holes to the East of the identified gold workings that returned results such as DDH-57W: 2.73m @ 42.2 g/t gold and DDH-005: 2m @ 23.9 g/t gold

- There may be more Maldon Goldfields to the East of the mined outcropping lodes as suggested by the historic sparse drill results and identified gravity ridges identified in geophysical surveys

Historic high-grade gold results that require follow up across the Maldon Goldfield include:

- 0.90m @ 103.0 g/t gold
- 2.73m @ 42.2 g/t gold
- 2.75m @ 22.6 g/t gold
- 0.44m @ 205.0 g/t gold
- 2.00m @ 58.0 g/t gold
- 2.30m @ 12.5 g/t gold
- 0.83m @ 80.0 g/t gold
- 1.00m @ 45.5 g/t gold
- 3.55m @ 11.9 g/t gold
- 2.95m @ 18.5 g/t gold
- 0.85m @ 114.6 g/t gold

*Refer to ASX announcement dated 19 July 2021.

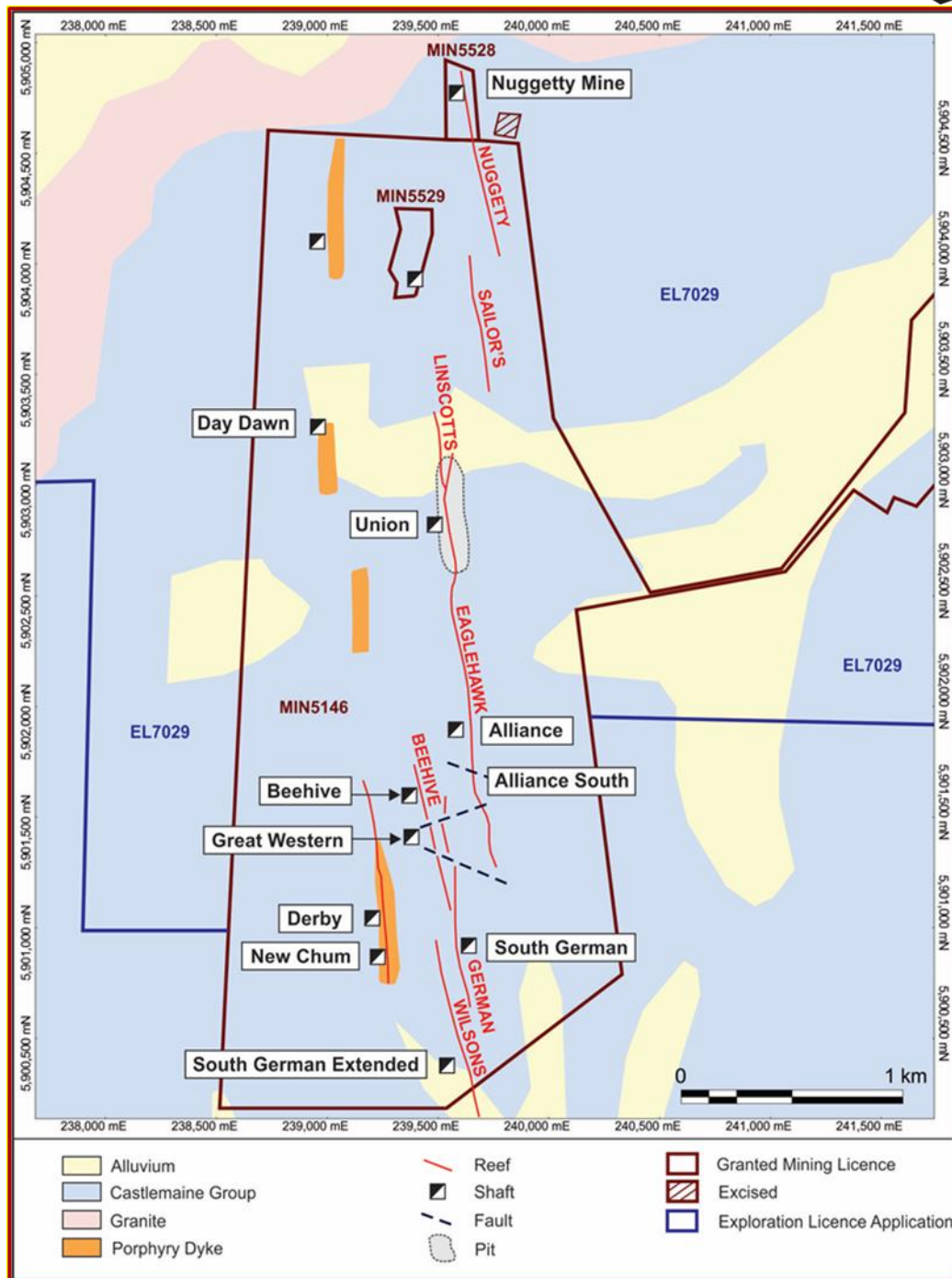


Figure 4: Plan view of the licences and gold lodes

The plan view of the reef area (Figure 4) shows the main mineral lodes as projected to the surface.

Union Hill Long Section

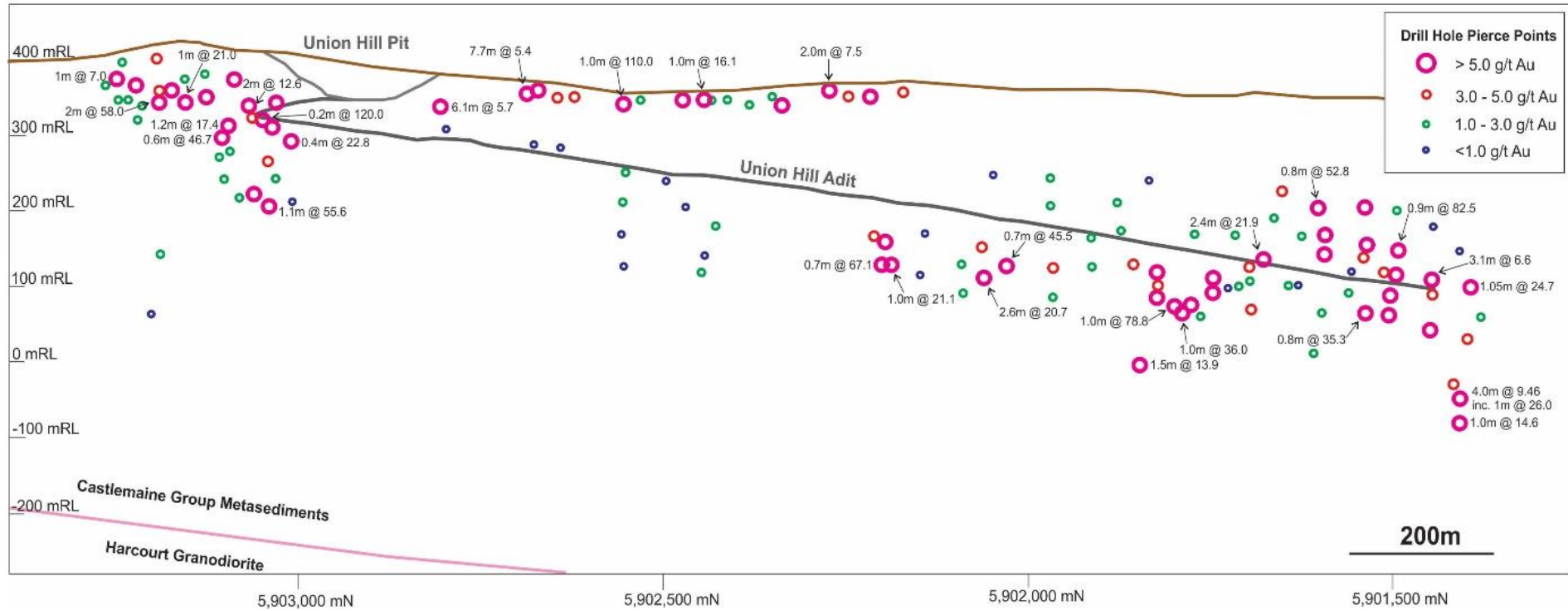


Figure 5: Long Section showing the Union Hill decline and previous drill intercepts.

(Refer to ASX announcement dated 19 May 2021 for drilling information).

-ENDS-

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

For further information:

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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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