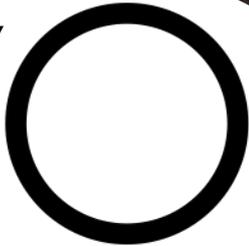




**SUSTAINABILITY  
UPDATE**



**Kaiser Reef Limited**



# Sustainability Objectives



**THE AIM OF KAISER REEF'S SUSTAINABILITY OBJECTIVES AND EFFORTS IS TO DELIVER LONG TERM STAKEHOLDER VALUE THROUGH A SOCIALLY AND ENVIRONMENTALLY CONSCIOUS APPROACH. WE STRIVE TO OPERATE IN A SUSTAINABLE MANNER AND CREATE MUTUALLY BENEFICIAL RELATIONSHIPS WITH LOCAL COMMUNITIES AND SUPPLY CHAIN PARTNERS.**

**KAISER REEF'S SUSTAINABILITY APPROACH IS DRIVEN BY OUR CORE COMPANY VALUES OF RESPECT, RESPONSIBILITY, INTEGRITY AND SUSTAINABILITY.**



# Our Values

## **RESPECT**

We respect our people, the communities we work in, our partners and the land on which we conduct our work.

## **RESPONSIBILITY**

We take responsibility for our actions and promises.

## **INTEGRITY**

We conduct our work with integrity as it is the backbone of our business.

## **SUSTAINABILITY**

We seek to minimise our impact on the natural environment and to create long term, mutually beneficial relationships with our stakeholders.

# A Message from the Executive Director

On behalf of the team at Kaiser Reef, I am pleased to present Kaiser Reef's sustainability update for 2021. This update reflects our values and ideals that guide the operations across the company and its subsidiaries.

Over the past year, the company has experienced vast changes. Kaiser Reef has transitioned from an exploration company focused on the New South Wales portion of the Lachlan Fold Belt, to an operating gold producer following the acquisition of the A1 Gold Mine in Victoria, the Maldon Goldfields and the Porcupine Flat Processing Plant. This ESG update therefore reflects a business in transition. Throughout this period of significant expansion, we have remained committed to maintaining a safe workplace environment, minimising our impact on the environment and building strong relationships with our local community.

We recognise that a commitment to sustainable development is inextricably linked to maintaining our social licence to operate. This sustainability update demonstrate our values and our commitment to building a safe and sustainable mining company.

I look forward to providing updates on our sustainability achievements going forward.



Jonathan Downes  
Executive Director

A handwritten signature in blue ink, appearing to read 'Jonathan Downes', written over a light blue grid background.

# Environmental Snapshot

Kaiser Reef strives to reach its environmental KPI's by comparing them within regulated limits. Over the past year, Kaiser Reef has managed risks and any potential environmental issues efficiently and responded to feedback swiftly. Some of the environmental KPI's Kaiser Reef achieved over the year are shown below.

| <br>WHAT | <br>LOCATION | <br>REGULATION | <br>PERFORMANCE |
|---|---|--|--|
| Water Discharge Quality   | A1 Mine   | As per Victorian Water Act   | -Distribution tank ordered to address potential corrosion**  |
| Dust  | Porcupine Flat  | Levels should not exceed 4.0 g/m <sup>2</sup> /m*  | - Monitored Monthly<br>- Acceptable***   |
| Cyanide   | Porcupine Flat  | 50ppm WAD cyanide*   | - Monitoring traces of total cyanide in bores****  |
| Noise   | Porcupine Flat  | Day: 46 dB (A)<br>Evening: 41dB (A)<br>Night: 36 dB (A)*   | -Monitored continuously<br>- Acceptable*****   |

\*As per relevant State Government regulation.

\*\*Any variations in discharge quality exceeding regulation to date are temporary and have been rectified as detected. The Company has not been the subject of penalty or fine by regulators in regards to this matter.

\*\*\* In some cases where dust has exceeded authorised levels the Company has implemented controls and system change to minimise and avert if possible in the future. The Company has not been the subject of penalty or fine by regulators in regards to this matter.

\*\*\*\*Regular monitoring provides detection and allows rectification work to be conducted. The Company has not been the subject of penalty or fine by regulators in regards to this matter.

\*\*\*\*\*Constant monitoring has not detected any periods where noise has exceeded allowable limits.

# Policies

Kaiser Reef acknowledges that the nature of mining can have ramifications that must be managed, monitored and mitigated. Our operations, and the operations of our subsidiaries, are guided by our environmental, social and governance policies. These policies include:

- 1) Environmental Policy
- 2) Health and Safety Policy
- 3) Stakeholder Engagement policy
- 4) Corporate Governance Policy

## Environmental Policy & Rehabilitation

Kaiser Reef's Environmental Policy outlines the company's pledge to work sustainably in all aspects of its operations, including exploration, mining, processing and site rehabilitation. Going forward we will publish further information on our environmental performance and regulatory commitments.

The company commits to ensuring the rehabilitation of the land on which our facilities operate. As a part of our commitment to rehabilitation, we have partnered with the Maldon Urban Landcare group to conduct maintenance on the revegetated Eaglehawk open pit area. We provide tools to complete the revegetation process and supply the necessary funding to meet operational expenses such as herbicides and refuse disposal. The revegetated area is located close to the township and is now a popular walking track for members of the wider Maldon community.



## Water Management

The Environmental Policy outlines various commitments and goals, including the company commitment to utilise water resources effectively. Kaiser Reef has taken action to deliver on this commitment at its Union Hill mine in Central Victoria.

The Union Hill mine produces high quality water, beyond the needs of its nearby Porcupine Flat processing plant. Several years ago the company identified the mutually beneficial opportunity to use this excess water in a sustainable way by distributing the water to the Nuggety Water Management Group, local council and proximal residents.

The majority of the excess water is provided to the Nuggety Water Management Group which consists of approximately 40 landowners and farmers who manage the distribution of the water and the maintenance of the majority of a 35km pipeline. The water is used for stock watering and to ensure dams are topped up for fire control. The remainder of the water is supplied to local neighbours in the Maldon area and to the council for topping up the South German dam.

Feedback from farmers and the local community is that the initiative is highly valued, particularly during periods of drought conditions. Kaiser Reef intends to continue this practice in the future.

# Maldon Environmental Review Committee

An important element of our relationship with local stakeholders is our Maldon Environmental Review Committee (ERC). The ERC was established to review, discuss and provide feedback on environmental monitoring and community relations performance associated with Kaiser Reef's Maldon based mining, milling and exploration operations, as well as the potential future development of the Union Hill mine.

The ERC convenes on a quarterly basis with the objective of encouraging the company, community and other stakeholders to work collaboratively to improve their shared knowledge and understanding of community interests and concerns. Additionally, the ERC provides opportunity to improve community knowledge and understanding of Kaiser Reef's policies and activities related to the environment and government legislation. The meetings also provide a platform for community groups, local government and regulators, to ask questions, to express concerns and/or to provide feedback on opportunities for improvement or potential collaborations.

The ERC is comprised of an independent Chair and Secretariate, three personnel from Kaiser Reef, four representatives from the local community, and a member from the following organisations: (i) the Mount Alexander Shire Council, (ii) Victoria Environmental Protection Agency, (iii) Parks Victoria, (iv) Goulburn Murray Water, (v) Maldon Land Care Group, (vi) Nuggety Water Group and (vii) Victorian Department of Economic Development, Jobs, Transport and Resources.

Kaiser Reef places considerable value on the relationships which we have built with local communities and stakeholders of our Victorian operations. We view the support from local communities as paramount to our social license to operate.



# Safety

We seek to ensure that our people work in an environment that is free from workplace injury, illness or harassment.

The total reportable injury frequency rate (TRIFR) for A1 Gold Mine is 124.8 per million hours worked. It is our objective to achieve zero Lost Time Injuries in the 2021 financial year and significantly reduce our TRIFR. We aim to achieve this through ongoing training, communication and rigorous enforcement of the company’s health and safety policy and procedures.

|                                | 2020-2021 | 2021-2022 GOAL |
|--------------------------------|-----------|----------------|
| TOTAL HOURS WORKED             | 72,096    | 80,000+        |
| TOTAL LOST TIME INJURIES       | 4         | 0              |
| TOTAL RECORDABLE INJURIES      | 9         | 0              |
| FATALITIES                     | 0         | 0              |
| TRIFR PER MILLION HOURS WORKED | 124.8     | 0              |

The Porcupine Flat processing plant site includes decommissioned and operating Tailings Storage Facilities (TSF). The facilities are regulated by Victoria’s Earth Resources Regulation Department, designed, operated and risk assessed in accordance with Australian guidelines such as the Australian National Committee on Large Dams (ANCOLD) and are independently audited. Kaiser Reef commits substantial resources to sustaining the safe operation of these facilities. In future Sustainability Reports Kaiser Reef intends to publish additional information relating to TSF risk assessments and management, in line with ICMM Global Industry Standard for Tailings Management.



## Supporting the Local Community

**We are a proud member of our community and we endeavour to support its growth by prioritising procurement and recruitment from local regions. Our workers are proud members of their local communities and reside either permanently or whilst on shift in nearby towns. We have elected not to have a centralised 'mine camp' style facility and believe that this delivers a positive impact on workers and regional communities.**

**We are proud of what we have achieved over the past year and we look forward to reporting on future progress, collaborations and success.**



**Kaiser Reef Limited**

