

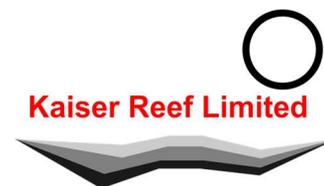


Kaiser Reef Limited



Quarterly Activities Report

For the period ending 31 March 2022



Highlights

Kaiser Reef Limited (ASX: KAU) (“Kaiser” or the “Company”) is extremely pleased to present a defining March 2022 Quarterly report. Kaiser saw a further increase in gold production of 45% over the previous quarter that delivered a positive cash flow of \$1.8M. This major turning point in Kaiser’s A1 mine has ratified the significant effort made by the team to unlock the potential in this high-grade gold mine. The cash balance held by Kaiser increased by 36% during the quarter to \$6.9M. This is an outstanding achievement as the Company move into full development and production of the Queens Lode during the balance of this year.

This outcome was delivered while operating two diamond drilling rigs for the majority of the Quarter and expending considerable funds on equipment and further development work on the Queens Lode. The recent access to the deeper lodes is delivering strong results and providing confidence in the long-term future of the A1 mine as Kaiser move into and exploit these new mining areas.

During the Quarter drilling results were returned from the Maldon historic major gold mining centre (previous production of 1.74MOz at 28 g/t) from two areas:

Union Hill Underground Drilling (ASX release 15 November 2021)

Best result: 1.8m @ 29.6 g/t gold

Nuggety Reef Surface Drilling (ASX release 1 March 2022)

Best result: 2.2m @ 10.3 g/t gold

The results from the first pass of drilling were encouraging and resource modelling work has now advanced at Union Hill which has been aided by the completion of recent drone surveys. The drilling options at Nuggety Reef were limited by the very narrow mining licence. Further drilling will be conducted at Nuggety Reef once the larger and surrounding Exploration Licence application is granted.

Quarter Production

- Revenues: \$7.0M
- Mine Operating Cash Costs: \$3.2M
- Gold Head Grade (recovered): 14.0 g/t gold
- Operating Cash Costs per Ounce: AUD\$1,149/Oz
- Gold Price Received: AUD\$2,658/Oz
- Gold Recovery (%): 96%

Maldon Exploration

- **High Grade Results from the Maldon Historic Goldfield (past production exceeding 1.74M Oz @ 28 g/t gold)**
- **Second Diamond Drill Rig drilling the Nuggetty Reef Historic Gold Mine (past production of 301,000 Oz @ 187 g/t gold)**
- **Preliminary results from Maldon (ASX release 15 November 2021) include:**
Union Hill
 - **UH-UDH-029: 0.7m at 37.6 g/t gold**
 - **UH-UDH-027: 6.5m @ 6.2 g/t gold**
 - **UH-UDH-013: 0.7m @ 20.6 g/t gold**
 - **UH-UDH-022: 0.5m @ 12.8 g/t gold**
 - **UH-UDH-021: 1.5m @ 6.5 g/t gold**

Nuggetty Reef (ASX release 1 March 2022)

- **NG-SDH-001: 0.3m @ 6.7 g/t gold and 4.8m @ 2.9 g/t gold**
- **NG-SDH-002: 0.4m @ 52.8 g/t gold**
- **ND-SDH-003: 0.9m @ 2.2 g/t gold and 0.3m @ 7.6 g/t gold**
- **ND-SDH-004: 0.3m @ 3.7 g/t gold**
- **Maldon exploration targeting the historic reef system at depth and near development mining opportunities**
- **Drone stope survey conducted to quantify void spaces for JORC calculations.**
- **Resource modelling ongoing and awaiting final assay returns**

A1 Mine Production

Kaiser reports on its March 2022 quarter activities and production, announcing an operational milestone since acquisition. Investment in operational capital and dedication by the workforce has delivered solid operational improvements during the March Quarter that have built on the previous work to deliver the intended gold production at the A1 Gold Mine (Figure 1). Further improvements in operating efficiency, gold production and output are targeted in 2022, with the bulk of the Queens Lode ore body to primarily be processed in the second half of 2022.

Kaiser Reef Managing Director, Jonathan Downes, commented, *"This robustly profitable quarter is an **extremely** pleasing turning point in the business. The 'Gold Production Chart' in Figure 1, shows a textbook ramp up execution and fantastic outcome while facing significant pandemic related staffing and supply issues. More remarkable is that a lot of work was conducted on the near-term development of the Queens Lode, with benefits yet to be realised and while running exploration with two diamond drilling rigs. Kaiser is moving to define itself as a self-funding, and more, explorer. With two outstanding, and more importantly, historically proven 100% owned exploration projects at the Maldon goldfield (historic production 1.74Moz @ 28 g/t gold) and the A1 Mine, in operation, the future looks bright. As we get deeper at A1, we are discovering, as expected, an increasing amount of*

this extraordinary previously unmined material that was just too hard in the late 1800's to exploit. Some of this material contributed to our quarterly mined head grade of 14.0 g/t gold.

Looking to the future, our processing plant remains well under capacity and Kaiser will focus on the continued expansion and development at the A1 mine and eventually hope to bring Maldon, one of the great Victoria goldfields, back into production."

Kaiser is grateful to the supportive shareholders who shared the Company's vision, and to the talented and focussed management and staff for this progress and who continue to work towards turning Kaiser into a significant gold producer.

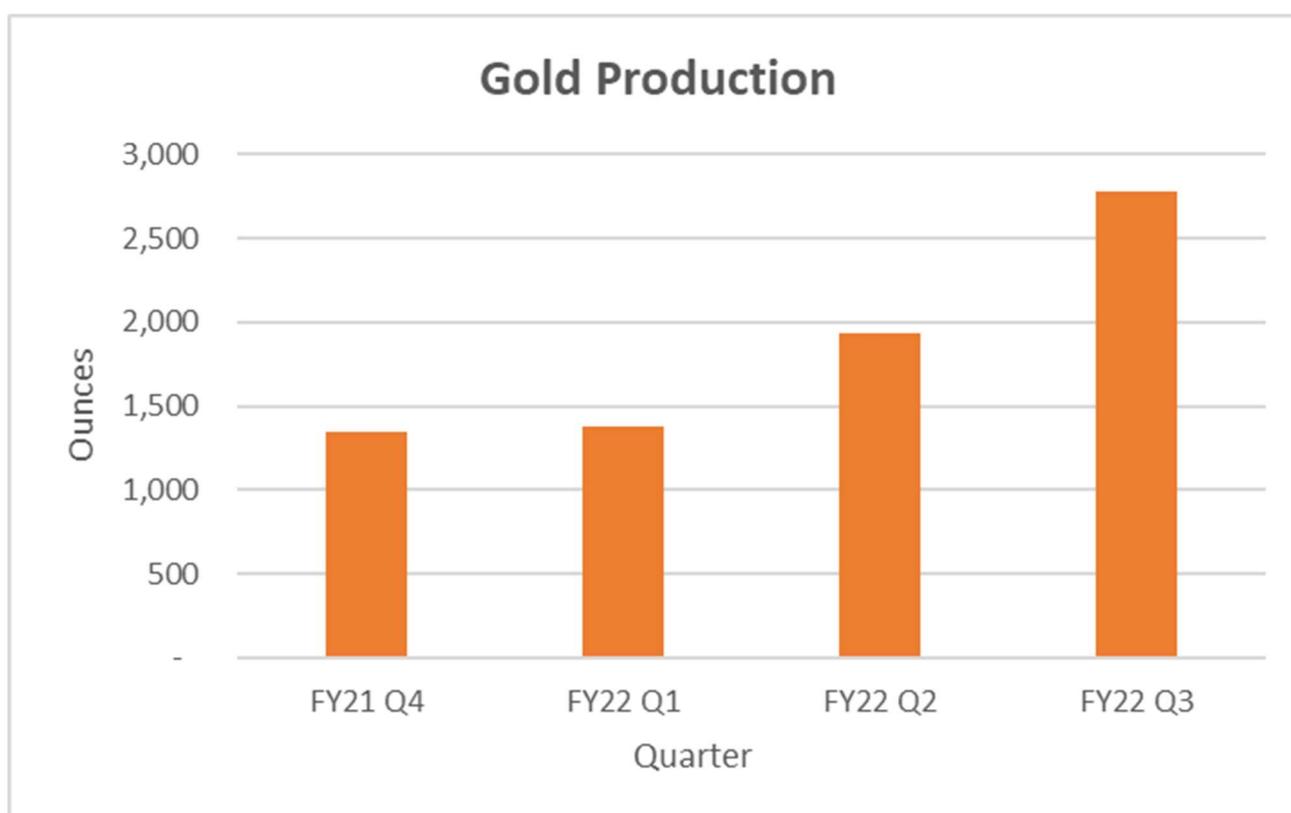


Figure 1: Monthly Gold Production

This positive result underpins Kaiser's long-term vision to become a multi-mine, high grade gold producer and supports the Company's ongoing the exploration aspirations.

Kaiser closed the quarter with a healthy cash balance of \$6.9M and no debt.

A1 Mine Exploration

Exploration activities focused on the Maldon district during the quarter. The underground diamond drilling rig has now been re-mobilised from Maldon back to the A1 Mine to support development and exploration activities.

Exploration – Maldon District

Maldon is located between Bendigo and Ballarat in the Victorian Goldfields and the licence area has produced over **1.74M ounces of gold at 28 g/t** (excluding alluvial gold production).

The Maldon district exploration is divided into three projects being;

- 1) Nuggety Reef
- 2) Union Hill/Maldon Underground
- 3) Maldon Regional

Nuggety Reef Exploration

During the quarter, Kaiser completed its first surface drilling exploration programme at the Nuggety Reef historic mine gold mine, located at the northern end of the Union Hill gold mine at Maldon (Image 1). The Nuggety Reef mine was one of, if not the, highest grade significant Australian gold mine with recorded production of 301,000 ounces at 187 g/t gold. The first programme returned results such as 2.2m @ 10.3 g/t gold which included 0.4m @ 52.8 g/t gold. In addition, the drilling was highly informative in locating and mapping the mineralised shears which will prove invaluable in future exploration planning.

The Nuggety Reef is contained within the broader Nuggetty shear zone and is the most northern reef and mine in the Maldon Goldfield (Figure 2).

This initial surface diamond drilling was a small scale (4 hole) programme designed to get a better understanding of the mineralisation controls in both the Eastern and Western reefs, which are located within the main north-south Nuggetty shear zone. Historic diamond holes being followed up include NUGD01 (0.46m @ 205 g/t Au) and NUDG02 which returned 1.4m @ 9.78 g/t Au (ASX release 19 July 2021). These structures are modelled slightly outside the shear zone.

The plan view of the reef area (Figure 3) shows the main Nuggety Reef mineralisation envelope as defined by logging and multielement assays and another trending in a north-north-eastern direction with associated gold mineralisation. Elevated bismuth assays, one of these is the high gold zone (up to 52.8 g/t gold) in NG_SDH_002. The elevated bismuth mineralisation appears to also define a north-north-eastern trend identified by gold and other elements; this trend appears to be associated but subsidiary to the main Nuggety gold mine trend. Elevated bismuth is possibly also an important indicator element in this district.



Image 1: Surface diamond drilling rig at Nuggety Reef, Maldon

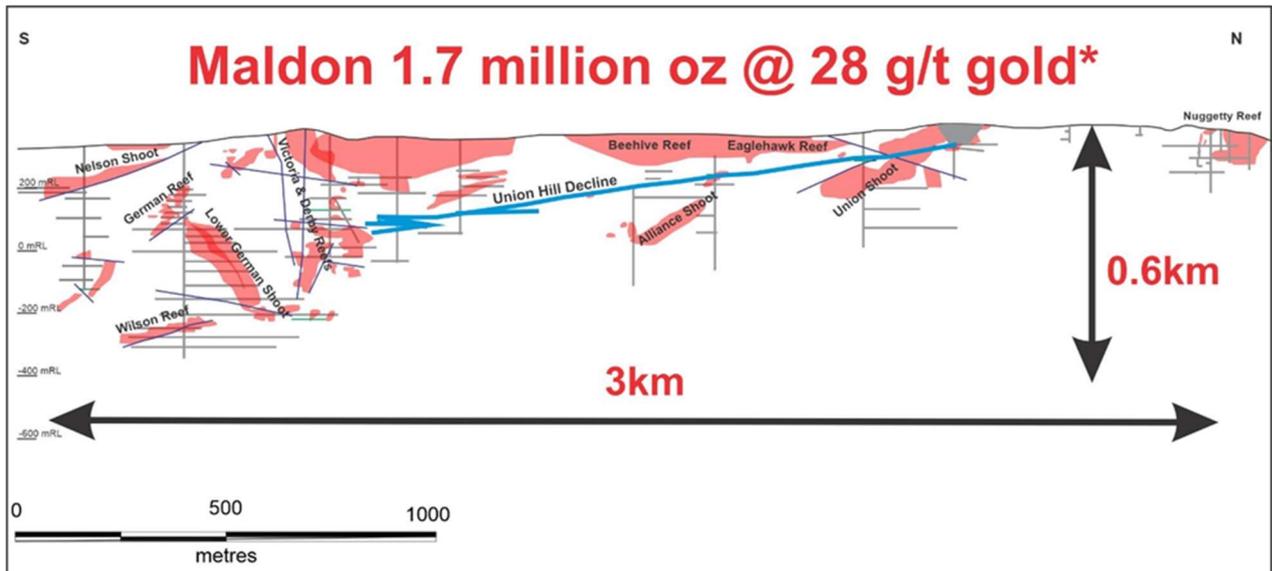


Figure 2: Historic long section of the Maldon gold field – showing location of the Nuggety Reef to the North

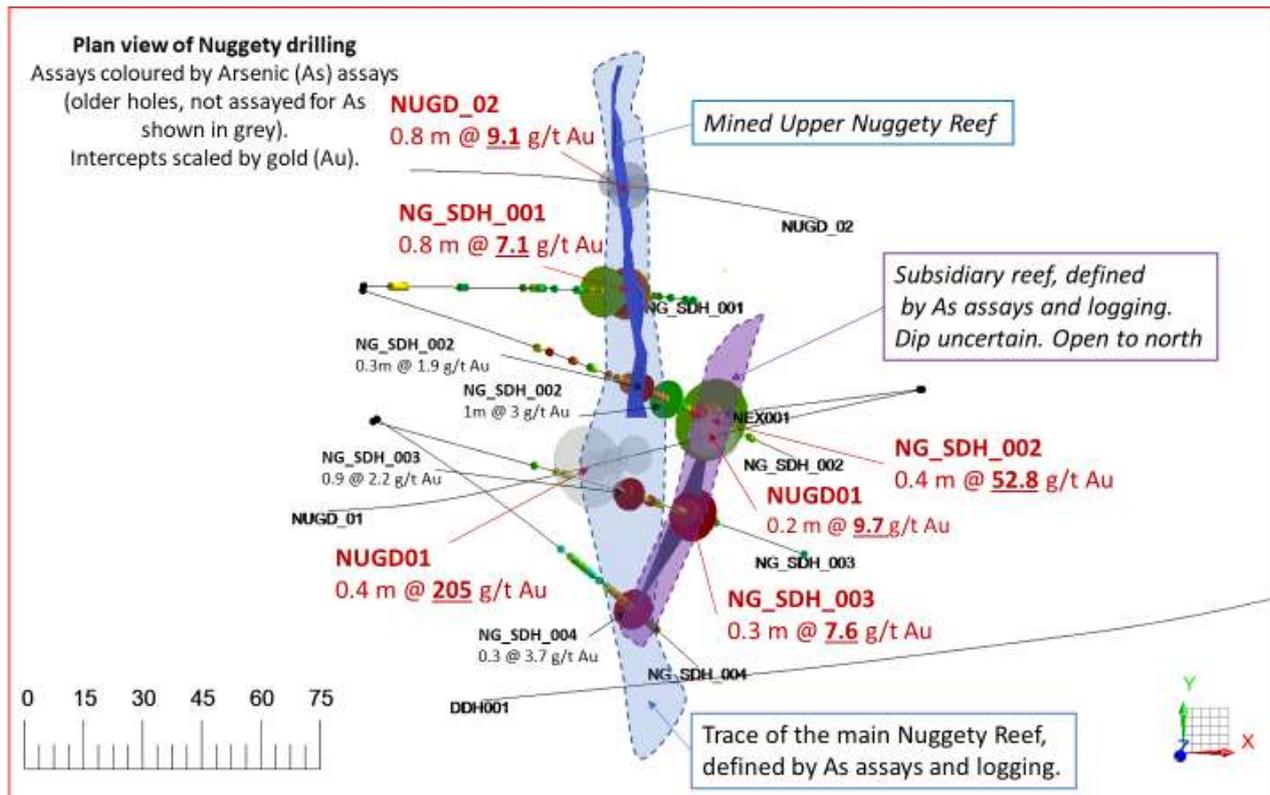


Figure 3: Plan view of the Nuggety Reef Mineralised trends with associated arsenic anomalism as pathfinder element

Modelling of these mineralised trends has identified an untested target with significant up and down plunge extents, additional to deeper down plunge trends within the main Nuggety mine trend.

Accessing optimal drilling positions was hampered by the extremely narrow mining licence, however, Kaiser is keenly awaiting the grant of its large surrounding Exploration Licence Application that will facilitate far more effective drilling in the future.

The aim of future drilling at the Nuggety Mine will be to test down dip extensions near the granite contact and following the down plunge positions of the Nuggety Mine. Drilling will also be designed to delineate the mineralisation trend and coincident high-grade gold shoot within that. The Nuggety shear zone continues to the south and the prospective target contact with the Harcourt granite remains essentially untested down plunge. This recently identified north-north-eastern trend is also a high priority target.

Maldon Regional

Exciting data review work has identified priority geophysical targets and regional high grade gold drill intercepts at Maldon. Although overprinted by granitic alteration fluids, the style of the reef mineralisation seen at Maldon is similar to other Central Victorian fields, including Fosterville and Bendigo.

Some areas of Kaiser's Exploration Licence application are under cover, including a gravity anomaly (ridge) like the one on the eastern side of the main Maldon field. The field may contain undiscovered high-grade shoots, which do not "daylight" and have not been found

by previous exploration. Very little drilling of targets other than for extensions of known shoots has been undertaken.

In 1979 an IP survey conducted by Scintrex on behalf of CEC shows that at least some of the mineralisation is chargeable and resistive. An anomaly that was drilled in DDH05 by CEC returned 2m @ 23.9 g/t gold in a previously unknown reef within Kaiser's main Maldon mining licence (Figure 4). There is an opportunity to use modern exploration techniques to target new undiscovered mineralisation.

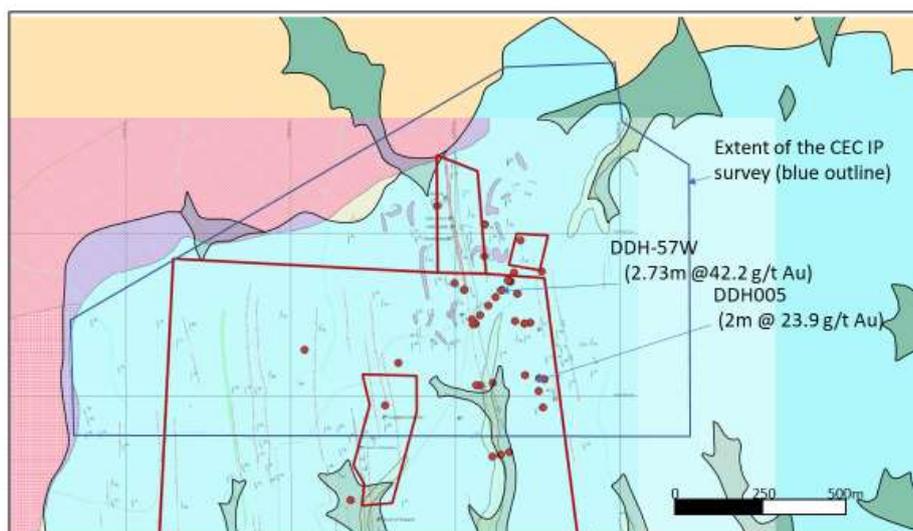


Figure 4: Geophysical survey extent (blue) over tenement outlines (red lines) and historic drill collars (red dots)

The Maldon Goldfield

At the main Maldon project, from the Union Hill decline, most of the drill holes intercepted the Eaglehawk reef at their targeted location. The drilling results during the quarter are summarised below (ASX release 9 February 2022).

Drilling concluded at the end of the quarter and the drilling rig is being mobilised back to the A1 Mine with further results pending.

Results from drilling at Maldon during the quarter included:

- **UH-UDH-029: 0.65m at 37.6 g/t gold**
- **UH-UDH-027: 6.5m @ 6.2 g/t gold**
- **UH-UDH-013: 0.66m @ 20.6 g/t gold**
- **UH-UDH-022: 0.47m @ 12.8 g/t gold**

One of the Maldon's key attributes is the extensive existing infrastructure and proximity to Kaiser's gold processing plant (3 km away). Rapid and low-cost development could be implemented with the existing mining fleet owned by Kaiser and experienced mining team for minimal capital cost.

Historic high-grade gold results from Maldon that require follow up 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**
- **1.0m @ 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**

Kaiser also completed of a programme of underground 3D stope surveying. Kaiser identified that some historical unsurveyed stopes would need to be accounted for and depleted from the resource estimation models being undertaken at Maldon. Kaiser appointed MINELiDAR to conduct the survey using Emesent Hovermap LiDAR (Light Detecting and Ranging) technology mounted on drones (Image 2). MINELiDAR, the key provider of the service was only recently granted travel authority due to Western Australian Government travel restrictions. Kaiser has now completed this important step in the resource work.

The data, in conjunction with the surveyed diamond drill holes will allow a Mineral Resource Estimate and future mine planning model to be constructed.



Image 2: MINELiDAR engineer Peter Evans conducting pre-flight checks at Maldon

Corporate and Finance (unaudited)

During the March quarter Kaiser produced 2,814 ounces and sold gold at an average realised gold price of A\$2,658 ounce. A further 195 ounces of gold was in transit to the Perth Mint at end of the quarter.

Total cash held at bank as of 31 March 2022 was \$6.9M excluding \$0.73M restricted cash.

No debt is owing by the Company.

Use of Funds

In line with obligations under ASX Listing Rule 5.3.4, The Company provides the following information with respect to its Use of Funds Statement set out in its Prospectus dated 7 December 2020 and its actual expenditure since ASX admission on 28 January 2021.

Expenditure Item	Use of Funds	Actual Expenditure (28.01.21 – 31.03.22)	Variance
	\$'000	\$'000	\$'000
Opening cash	3,335	1,911	(1,424)
Proceeds from the Offer	7,500	7,500	-
Total	10,835	9,411	(1,424)
Expenditure on Victorian Projects	(4,821)	(2,325)	2,496
Infrastructure costs	(2,267)	(4,624)	(2,357)
Expenditure on NSW Projects	(667)	(246)	421
Cash expenses of the Acquisition	(1,350)	(964)	386
Administration and working capital	(1,730)	940	2,670
Total	(10,835)	(7,219)	3,616
Remaining cash balance			2,192
Net proceeds from issues of equity securities in Q2 FY22 – post IPO			4,752
Closing cash position			6,944
Cash balance excludes restricted cash			734

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

For further information:

Jonathan Downes
 Managing Director
admin@kaiserreef.com.au

Jane Morgan
 Investor & Media Relations
jm@janemorganmanagement.com.au
 +61404 555 618

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 Centennial Mining 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 opinion. 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.

MARCH 2022 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:

This Report also contains information extracted from the following ASX market announcements, which includes further details (including 2012 JORC Code reporting tables where applicable) of exploration results and minerals resources referred to in this Report:

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				
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%	-
A1	MIN5294	Victoria	100%	-
Maldon	MIN5146	Victoria	100%	-
Maldon	MIN5529	Victoria	100%	-
Maldon	MIN5528	Victoria	100%	-
Maldon	EL7029	Victoria	100%	-