



ASX RELEASE

6 September 2021

Placement and Rights Issue to accelerate development of the Queens Lode and exploration drilling at the Maldon Goldfield

Kaiser Reef Limited ("**Kaiser**" or the "**Company**") (**ASX: KAU**) is pleased to advise that it will undertake a Share placement ("**Placement**") and fully underwritten 1:8 Non-Renounceable Rights Issue ("**Rights Issue**") to raise approximately \$5.1 million (before costs). The new Shares to be issued under the Placement and Rights Issue will be issued at a price of \$0.20 per Share, representing a 15.1% and 15.8% discount to the volume weighted average share price over the last 5 and 10 trading days respectively, prior to the Company's trading halt (as per the ASX announcement dated 2 September 2021).

Funds raised from the Placement and Rights Issue will be used to develop the Queens Lode gold deposit at the A1 Mine and to drill test the high grade Maldon Goldfield (historic production of 2.1M oz @ 28 g/t gold). The drilling at the A1 Mine has nearly completed and a second diamond drilling rig will be mobilised to Maldon in approximately 2 weeks.

A short form prospectus for the Rights Issue has today been lodged with ASIC ("**Prospectus**").

An overview of the proposed capital raising is as follows:

Placement

Under the Placement, the Company will raise \$2,000,000 (before costs) and issue a total of 10,000,000 new Shares to sophisticated and professional investors at \$0.20 per share ("**Placement Shares**"), under its current Listing Rule 7.1 capacity. The Placement Shares will be issued on the same terms as, and will rank equally in all respects with, the existing fully paid ordinary Shares in the Company.

Westar Capital Limited is acting as Lead Manager to the Placement ("**Lead Manager**"). The Lead Manager (or its nominee) will receive a 6% capital raising fee of the total amount raised.

Rights Issue

The Company intends to conduct a pro-rata non-renounceable Rights Issue to raise up to \$3,122,472 (before costs) on the basis of one (1) new Share for every eight (8) existing Shares held.

The Rights Issue is open to all eligible shareholders who have a registered address in Australia or New Zealand and who hold Shares on the Record Date (as set out in the proposed timetable below). Existing Option holders are not entitled to participate in the Rights Issue without first exercising their Options.

As the Record Date for the Rights Issue will be after settlement of the Placement, those persons who participate in the Placement will be entitled to participate in the Rights Issue.

Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Rights Issue and will need to complete the personalised entitlement and acceptance form that will accompany the Prospectus.

The Company has entered into an Underwriting Agreement with Westar Capital Limited to act as the underwriter to the Rights Issue ("**Underwriter**"). The Underwriter has agreed to fully underwrite the Rights Issue Offer and will be paid 6% (exclusive of GST) of the underwritten amount. The Company has agreed to issue to the Underwriter (or its nominee) 8,000,000 unquoted options to acquire Shares with an exercise price of 30 cents per share expiring on 30 September 2024. The Options will issued as follows:

- (a) 6,000,000 Options on completion of the Placement and Rights Issue utilising the Company's capacity pursuant to ASX Listing Rule 7.1; and
- (b) 2,000,000 Options on completion of the Placement and Rights Issue and subject to shareholder approval being obtained at a general meeting (to be held in due course).

A nominal issue price of \$0.0001 is payable for the issue of the Options. The Underwriting Agreement gives the Underwriter the right to enter into sub-underwriting agreements to pass on some or all of its obligations to subscribe for any shortfall. Full details regarding the terms of the Underwriting Agreement are set out in the Prospectus.

Indicative Timetable

The indicative timetable for the Placement and Right Issue is set out below:

EVENT	DATE
Announcement of Placement and Rights Issue and Lodgement of Prospectus with the ASIC	Monday, 6-Sep-21
Lodgement of Prospectus and Appendix 3B with ASX	Monday, 6-Sep-21
Ex date	Wednesday, 15-Sep-21
Record Date for determining Entitlements	Thursday, 16-Sep-21
Offer opens (Prospectus sent out to Shareholders)	Tuesday, 21-Sep-21
Last day to extend the Closing Date	Thursday, 30-Sep-21
Closing Date for applications in accordance with the Offer as at 5:00pm*	Tuesday, 5-Oct-21
Securities quoted on a deferred settlement basis	Wednesday, 6-Oct-21
ASX and Underwriter notified of under subscriptions	Wednesday, 6-Oct-21
Underwriter subscribes for Shortfall under terms of Underwriting	Friday, 8-Oct-21

Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Tuesday, 12-Oct-21
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*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

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

For further information:

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