

10 February 2023

Key Exploration Licence Granted at the Maldon Gold Project

Highlights

- Exploration Licence (EL 7029) has been granted for an initial 5-year period
- EL 7029 surrounds the wholly owned Nuggety Reef Mine (MIN 5528)
- The licence facilitates exploration of the Nuggety Reef Mine (Nuggety)
- Nuggety Reef produced 301,000 oz @ 187 g/t gold - one of Australia highest grade historic mines
- Previous exploration at Nuggety was constrained until this licence grant
- The high-grade mineralisation occurs at a mineral contact that plunges south
- One of the most exciting gold drilling targets is now accessible to Kaiser
- A Mineral Resource Estimate of 1.2 Mt at 4.4 g/t gold (Inferred) for 186,656 ounces of gold (ASX release dated 21 July 2022); and
- An Exploration Target of 1.75 to 2.7Mt at between 3 g/t gold and 4 g/t gold for between 165,000 and 345,000 ounces of gold (ASX release dated 21 July 2022)
- Extensive existing infrastructure and capital
- Existing mine permitting
- Proximity to wholly owned processing plant
- Processing plant currently operating profitably well below capacity
- Major Historic Goldfield with exceptional exploration potential. Historic underground production of 1.74M ounces at 28 g/t gold

Kaiser Reef Limited (ASX: KAU) (“Kaiser” or the “Company”) is extremely pleased to report that the large 144 km² exploration licence has been granted which covers an area substantially larger than the combined Maldon mining licences (Figure 1) and provides access to the uniquely exciting exploration target around the Nuggety Reef Mine.

Accessing ideal drilling positions has been extremely challenging from within Kaiser's very narrow mining licence (MIN5528) which covers the Nuggety Reef project. Kaiser has keenly awaited the grant of its large surrounding exploration licence 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 positions near the granite contact and following the down plunge positions of the Nuggety Mine (Figure 2). Drilling will also be designed to delineate the bismuth mineralisation trend and coincident for a high-grade gold mineralisation.

Kaiser is currently undertaking a major infrastructure programme at the A1 Mine site including the installation of a high voltage power upgrade, expanded underground remote mining

fleet and ongoing development to facilitate upcoming mining opportunities. While this is the immediate focus, exploration drilling permits will be sought and drilling will be conducted once the infrastructure programme has been implemented.

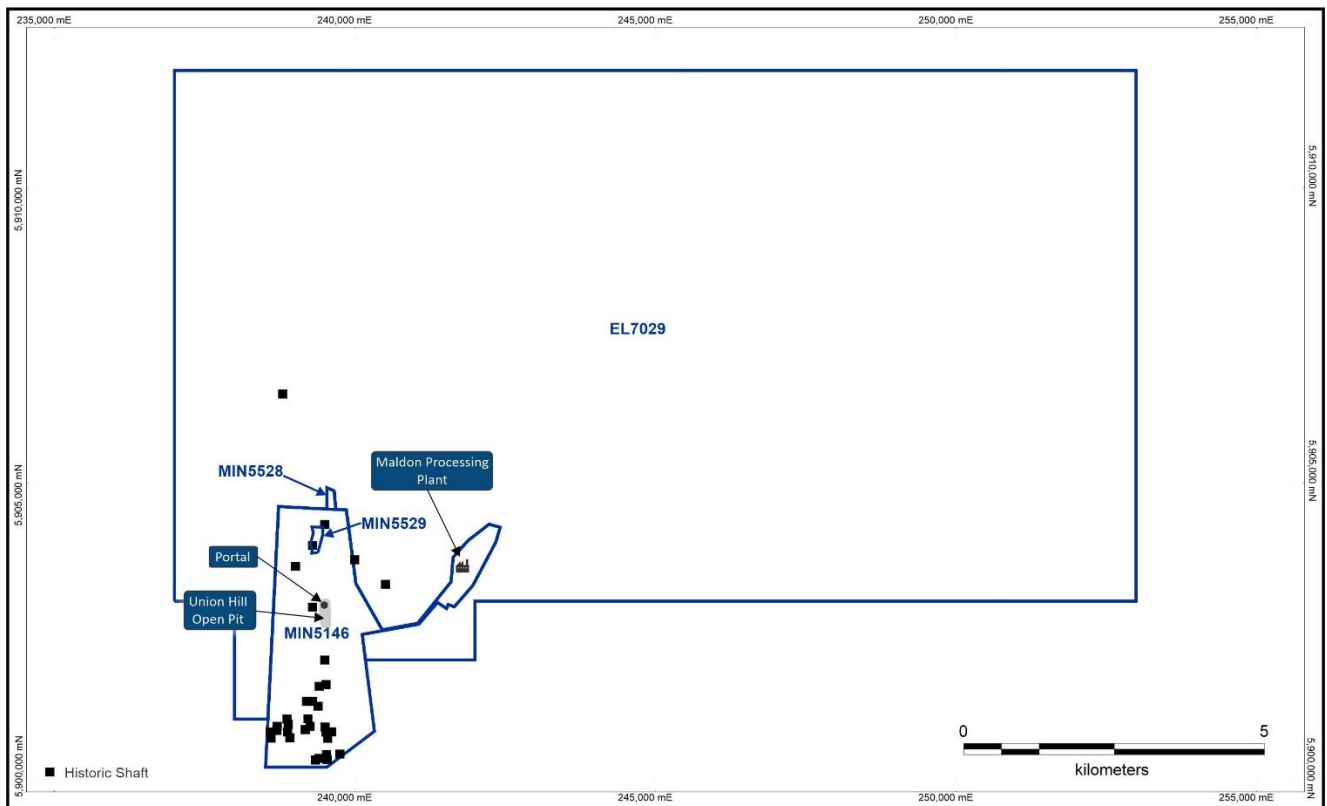


Figure 1: Plan view showing the Kaiser mining licences as well as the new granted Exploration Licence 7029.

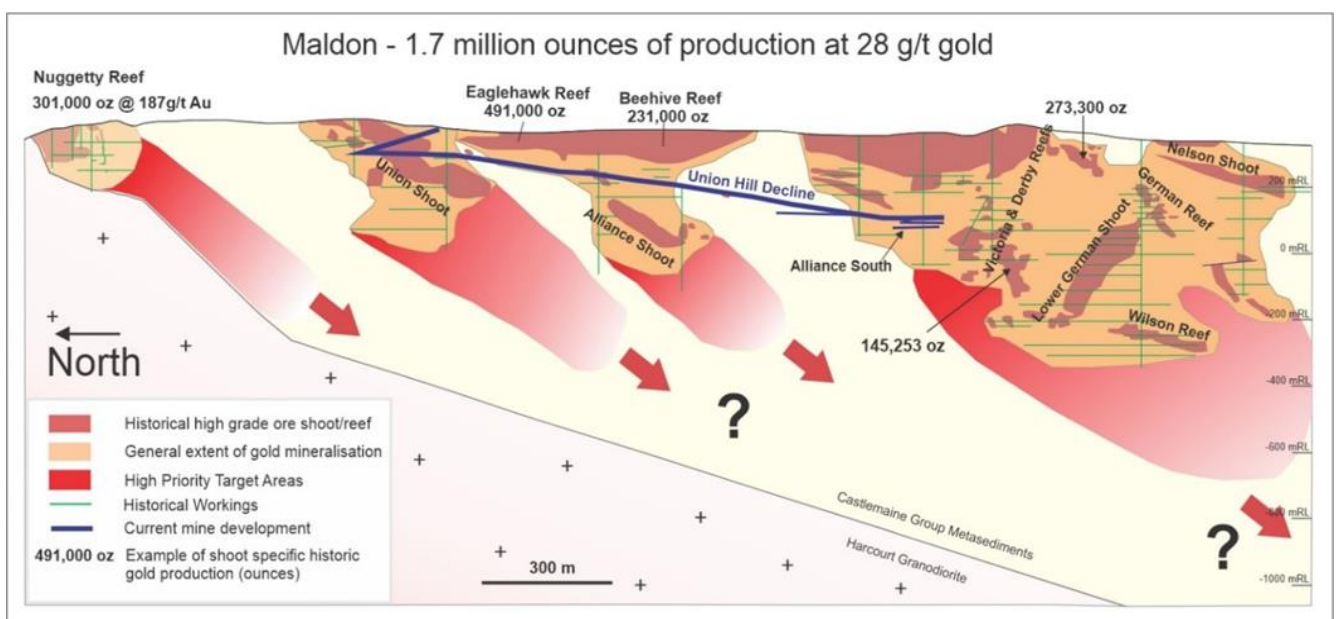


Figure 2: Long section of the Maldon goldfield showing the relationship between the Harcourt Granodiorite and gold mineralisation at Nuggety

Maldon Goldfield - Union Hill Mine

The Maldon Goldfield is wholly owned by Kaiser and it is a priority plan to bring the Union Hill mine at Maldon back into production. The following update and summary of Maldon is provided.

Further engineering and future planning were conducted at Union Hill and a review of certain key infrastructure was undertaken. The work conducted was limited due to a focus on the A1 production ramp up. Further work at Maldon is ongoing.

- High Grade Drill Results such as 2.2m @ 10.3 g/t gold, including 0.4m @ 52.8 g/t gold (ASX release dated 1 March 2022)
- Geophysical Exploration Targets Identified

Kaiser announced the first results from drilling at the Nuggety Reef historic gold mine, located at the northern end of the Union Hill gold mine in Maldon, Victoria on 1 March 2022. Nuggety was one of, if not the, highest grade significant Australian gold mine with recorded production of 301,000 ounces at 187 g/t recovered gold.

The Nuggety Reef was discovered in 1856 and produced 301,000 ounces of gold from 50,000 tonnes of ore averaging 187 g/t Au over a 10-year period. The reef was mined over a strike length of 350 metres with four shafts, sunk to a maximum depth of 238m.

The Nuggety Reef is contained within the broader Nuggety shear zone and is the most northern reef and mine in the Maldon Goldfield (Figure 3). The deposit is truncated by the Harcourt Granodiorite to the north and at depth, forming a south plunging footwall. Nuggety is situated within steep eastern dipping metasediments that have been contact metamorphosed to cordierite – andalusite hornfels. The mine workings strike north – south and comprise of 2 sub-vertical east dipping quartz reefs, referred to as the west reef and the east reef. These structures are joined at depth by near flat en-echelon reefs.

Kaiser has already conducted a small surface diamond drilling (4 holes) programme that targeted a better understanding of the mineralisation controls in both the eastern and western reefs at Nuggety, which are located within the main north-south Nuggety shear zone. The drilling positions were compromised and limited at the time.

Drilling was following up NUGD01 0.44m @ 205 g/t Au and NUDG02 which returned 1.4m @ 9.78 g/t Au (ASX release dated 19 July 2021).

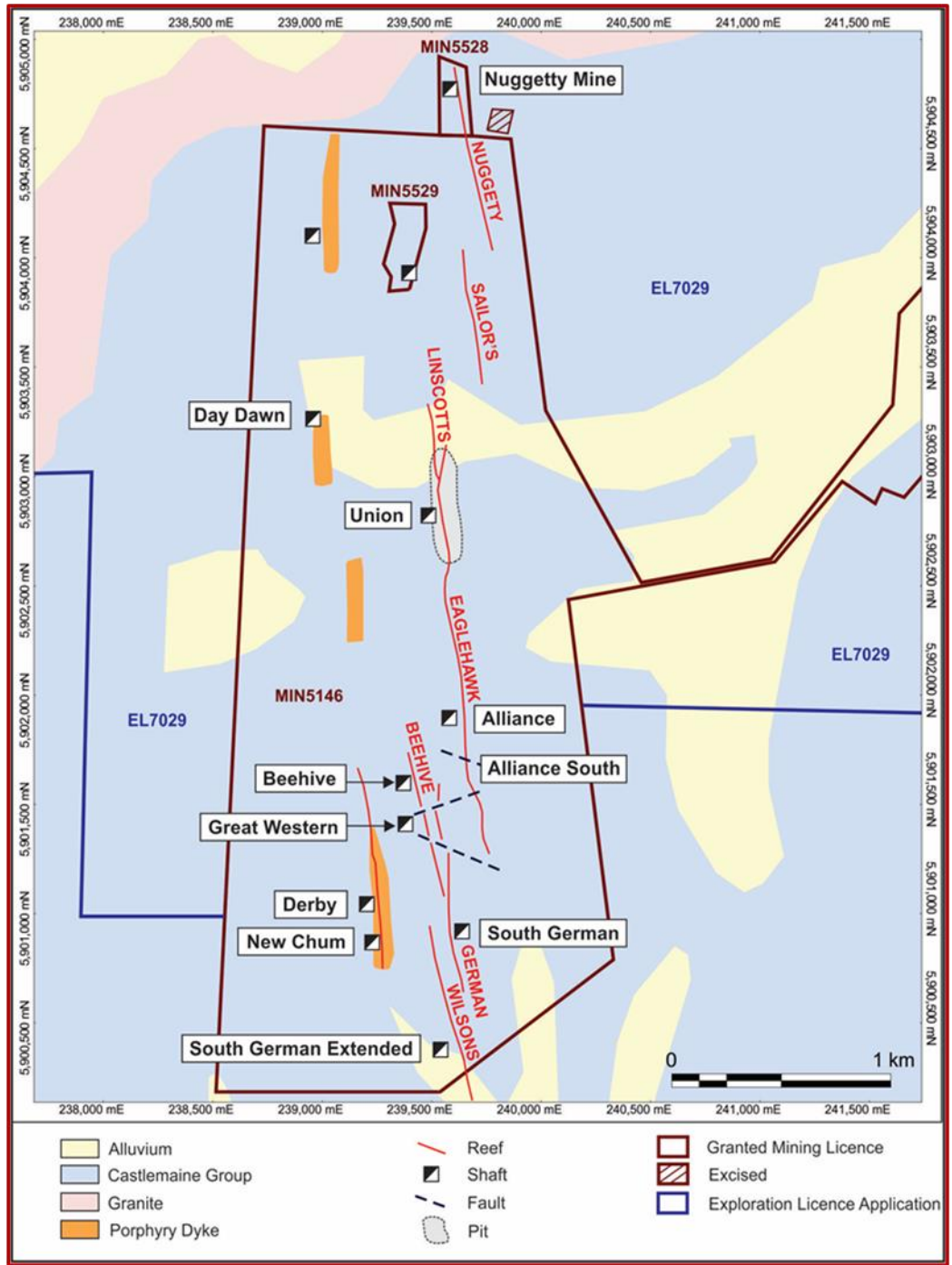


Figure 3: Plan view of the licences and gold lodes

The plan view of the reef area (Figure 4) shows the main Nuggetty envelope as defined by logging and arsenic 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 (ASX release dated 1 March 2022). The elevated bismuth mineralisation appears to also define a north-north-eastern trend identified by gold and arsenic; this trend appears to be associated but subsidiary to the main Nuggetty trend. Elevated bismuth appears to be an important indicator element in this district.

Modelling of these mineralised trends (Figure 4) has identified an untested target with significant up and down plunge extents, additional to deeper down plunge trends within the main Nuggety mine trend.

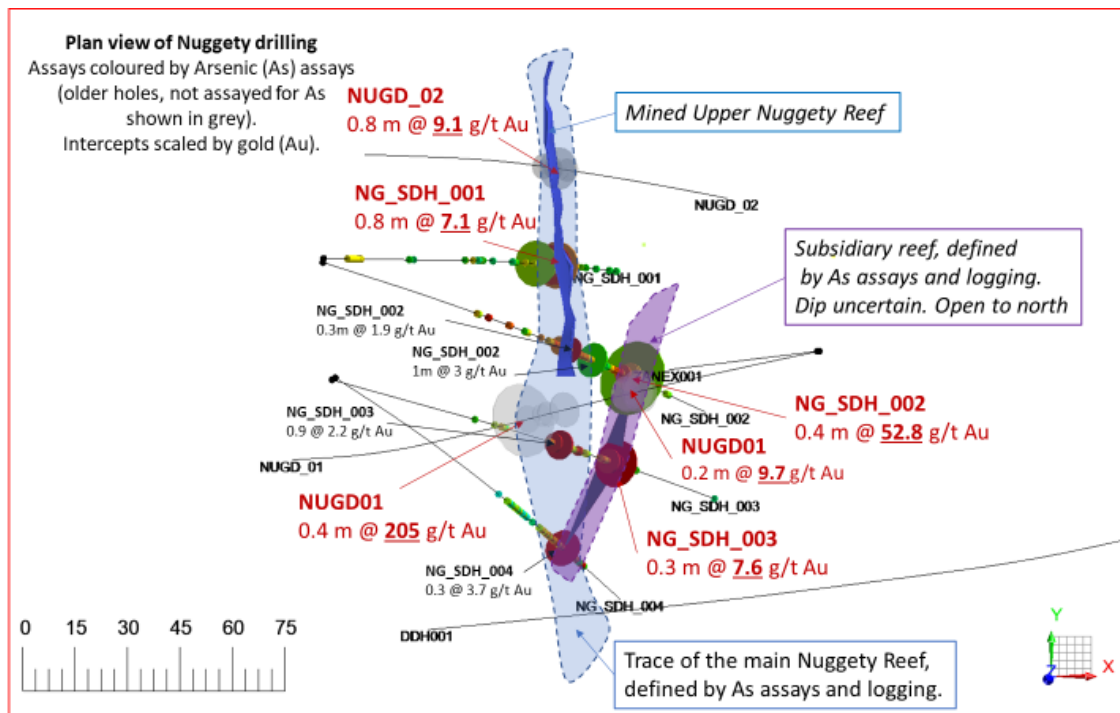


Figure 4: Mineralised trends with associated arsenic anomalism as pathfinder element (ASX release dated 1 March 2022)

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.

Further to the south, the underground drilling rig is continuing exploration from underground positions within the Union Hill decline. Early results have returned some excellent high-grade intervals – refer to ASX releases dated 15 November 2021 and 9 February 2022.

The granting of the exploration licence will also allow Kaiser to follow up on the identified priority geophysical targets and regional high grade gold drill intercepts at Maldon. Although overprinted by granitic fluids, the style of the reef mineralisation seen at Maldon is similar to other Central Victorian fields, including Fosterville and Bendigo.

High grade gold is found in plunging shoots. Additionally, some parts of Kaisers Exploration Licence are under cover, including a gravity 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 mining. 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 23.9g/t in a previously unknown reef (ASX release dated 19 July 2021, Figure 5).

There is a real opportunity to use modern exploration techniques to target economic mineralisation.

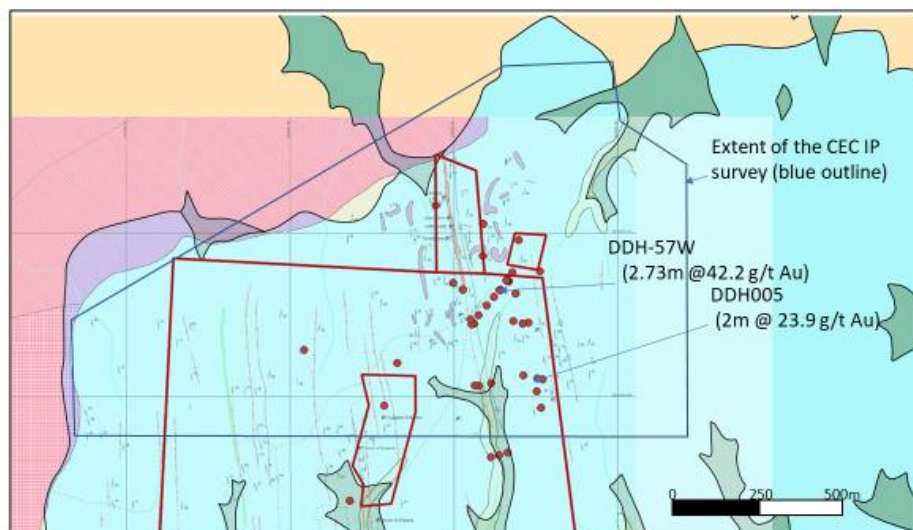


Figure 5: Geophysical survey extent (blue) over tenement outlines (red lines) and historic drill collars (red dots)

Preliminary results drilled by Kaiser at Maldon are encouraging and include (ASX release dated 15 November 2021):

- UH-UDH-001: 0.3m at 54.5 g/t gold within 1.2m @ 14.1 g/t gold
- UH-UDH-005: 0.65m @ 33.4 g/t gold
- UH-UDH-006: 0.8m @ 63.6 g/t gold within 1.8m @ 29.6 g/t gold
- UH-UDH-018: 0.8m @ 12.1 g/t gold and 0.3m @ 11.7 g/t gold
- UH-UDH-021: 1.5m @ 6.5 g/t gold

Summary of the Maldon Goldfield

Maldon is located between Bendigo and Ballarat in the Victorian Goldfields. The Maldon Goldfield produced **1.74 million ounces of gold at an average grade of 28 g/t gold** (ASX releases dated 7 December 2020 and 19 May 2021) on a granted mining lease close to the 100% owned, permitted and operating plant which is currently treating ore from the wholly owned high-grade A1 gold mine.

The Maldon goldfield is located in the Bendigo Zone in host turbidite sandstone, siltstone and shales of the Castlemaine group and was subject to deformation resulting in north-south trending series of chevron folds. During folding a complex history of faulting is also noted. An event around ~445Ma believed to have involved crustal thickening and the circulation of metamorphic fluids through the crust (Vandenberg et al, 2000) and formed gold deposits at Bendigo, Fosterville, Castlemaine, Maldon and Daylesford. Maldon was later subject to further potential mineralising and remobilisation events with the emplacement of the Harcourt Batholith.

Gold mineralisation at Maldon shows an association with arsenopyrite and pyrrhotite with minor amounts of base metal sulphides, largely pyrite, galena, sphalerite, chalcopyrite and marcasite, in common with other Central Victorian Goldfields. At Maldon Gold Project Centennial Mining Ltd ELA7029 - 10 April 2021 Maldon, gold is also associated with native bismuth, bismuthinite (Bi_2S_3), bismuth telluride (Bi_2Te_3), maldonite (Au_2Bi), joseite [$\text{Bi}_3\text{Te}(\text{Se},\text{S})$], several other unidentified tellurides, tetradymite, loellingite (FeAs_2) scheelite, stibnite and molybdenite and has an unusually high pyrrhotite to pyrite ratio (Haupt, 1982; Kwak, 1997; Ebsworth et al, 1998; Dugdale, 1998, McKnight, 2004). This unusual mineral assemblage suggests a granitic derived or mobilising event that has the potential to concentrate gold into larger and higher-grade lodes than are typical for the Victorian goldfields.

Some of the historic high-grade gold results from Maldon that require follow up include (ASX release dated 19 July 2021):

- **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 believes that the Union Hill Mine has the potential to be the next significant gold mine to come online in Victoria. The preliminary engineering and drill planning has identified that future work required will comprise of targeted re-bolting of the decline, limited drill platform development which includes second egress and ventilation options, drill planning, power and ventilation upgrade investigations/planning and various other work, as required. At this early stage it is not possible to provide guidance on the study and decision outcomes.

One of the Maldon's key advantages is the extensive existing infrastructure and proximity to Kaiser's operating gold processing plant (3 km away) and that it is held under a granted Mining Licence. When exploration proves successful, rapid and low-cost development will be implemented utilising Kaiser's mining fleet and experienced mining team for minimal capital cost.

-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

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.

COMPLIANCE STATEMENT

This report contains information extracted from reports cited herein. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 31 December 2022 and to date. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.