

## **ASX RELEASE**

15 August 2023

### **HIGHLIGHTS**

- **Ongoing Production Sustained at Increased Production Rate for July of 4,345 tonnes mined grading 9.2 g/t gold**
- **Infrastructure Upgrades Commissioned and Operating at Design Capacity**
- **Record Weekly GIC Gold Pour**
- **New Reef System Identified**
- **Approaching Bottom of Historic Mining Limits –**
  - **Transitioning from Remnant Mining +10 g/t gold to Virgin Levels**
  - **Historic Ore Grade ~ 27 g/t gold**
- **New Drill Results include:**
  - **0.9m @ 50.7 g/t gold;**
  - **0.2m @ 395.3 g/t gold;**
  - **0.28m @ 159.6 g/t gold**

Kaiser Reef Limited (**ASX: KAU**) ("**Kaiser**" or the "**Company**") is pleased to report on operational performance from the A1 Mine.

#### **Increased Production Rate**

The Company is delighted to confirm the planned increased production rate in the month of July delivering mining of 4,345t of ore grading an estimated average of 9.2 g/t gold. This compares with an average of approximately 2,600t ore treated per month in the preceding Quarter.

## Infrastructure Upgrades Commissioned

The High Voltage (HV) power upgrade is in operation and the high voltage team training completed. The ventilation upgrade work is underway with work ongoing to relocate new fans and associated infrastructure to the lower future mine levels. These improvements will support ongoing and increased mining well into the future.

## Record Weekly GIC Gold Pour

The increasing production rate has already delivered Kaisers largest weekly gold pour derived from gold in circuit (GIC -without mill liner contribution) of 12.9 Kg of high grade dore (Figure 1). This is Kaisers best weekly gold pour. Due to grade and processing variability this is not a reliable indicator for the upcoming quarter, but it is certainly very encouraging.



Figure 1: Record weekly pour showing gold dore (unrefined gold) before final processing and refining.

## New Drill Results

Drilling continued in the 1237-680 Access Drive to test for extensions and hanging wall repetitions of Dukes and Tasma/Austral reefs.

Most recent drilling results include:

- A1UDH-545: 0.9m @ **50.7** g/t gold from 51.2m
- A1UDH-539: 0.64m @ 8.0 g/t gold from 10.8m; and  
0.2m @ **395.3** g/t gold from 20.4m
- A1UDH-541 0.28m @ **159.6** g/t gold from 24.9m

These results follow on from previous recent results from the 1410S DDH programme collated for scoping out potential target production areas, which returned (ASX 21/7/2023):

- A1UDH-531 2.4m @ 24.0g/t gold
- A1UDH-528 4.4m @ 117.8g/t gold; and 0.3m @ 40.7g/t gold

- A1UDH-533      2.3m    @ 28.4g/t gold
- A1UDH-537      5.4m    @ 42.4g/t gold

The result for A1UD – 545 was received for the upper portion of this drillhole only, with mineralisation thought to be located in the Dukes Reef projected position in an intensely silicified and brecciated dyke-quartz rock (Figure 2).



Figure 2: Mineralised section of drillhole A1UDH- 545 – mineralisation from 51.2m

An unknown reef was also intersected with similar properties/ silicification to the Dukes and Tasma/Austral reef rocks (Figure 3). This new identified reef is oriented in what has been interpreted as a repeat of the overlying reef. There was an extensive stockwork of quartz veining within the moderately carbonate-albite altered dyke immediately on the footwall to this reef. There are scattered thin stylolites and pyrite mineralisation identified.

### **New Reef System Identified and Mining Approaching the Limits of Historic Drilling**

Kaiser has been primarily “remnant” mining amongst the historical mining operations. The Company is extremely excited by the prospect of reaching levels which have never been exploited before due to historic challenges such as ventilation constraints. For example, it was recorded that historically the ventilation would take up to 3 days for fumes from explosive charges to disperse to acceptable levels to exploit the ore. Kaiser is currently developing the 22 Level and the 23 Level has recorded some minor development and no stoping. There has been no mining below the 23 Level. The new virgin reef discovery is very exciting because Kaiser expects to enjoy a trend to mining lodes in levels previously unexploited and at grades more closely representing the historical average. Historic grades recovered were recorded to be approximately 25 g/t gold with a tails grade of close to averaging 3 g/t gold (ASX Prospectus 7/12/2020). The opportunity for Kaiser going forward is evident.

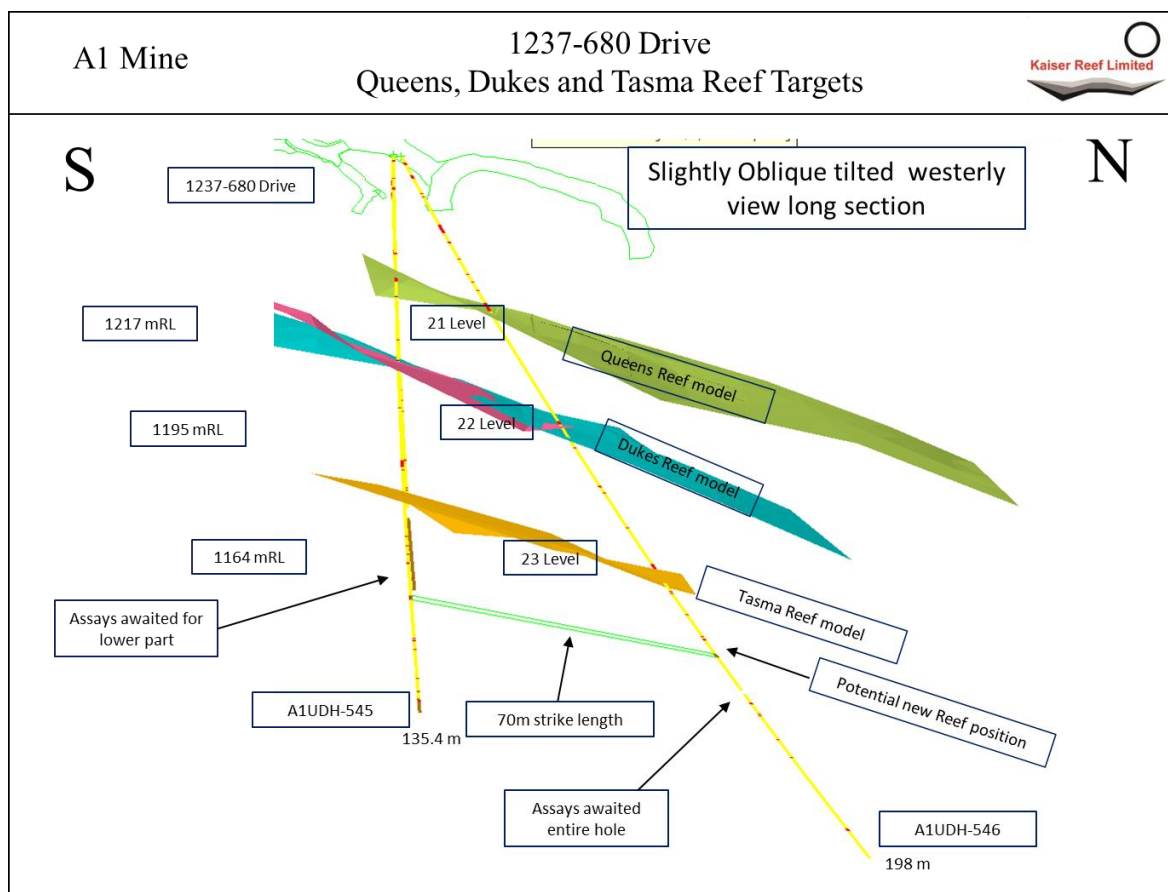


Figure 3: Oblique section with levels showing the position of drillholes A1UDH-545 and -546 and the main reef targets including the potential new reef.

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

**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.

#### **1410 South Drilling (list includes first two holes from earlier drilling program)**

Hole ID	Planned Azimuth (grid)	Planned Dip	Final Azimuth (Grid)	Final Dip	Planned Length (m)	Actual Length (m)	Void intersection/ comments
A1UDH-539	170	-30	-30.0	157.9	25	<b>31.2</b>	Stopped in cavity as planned
A1UDH-540	180	-45	-45.5	180.1	25	<b>61.1</b>	Ended in barren dyke beneath Victory cavity
A1UDH-541	270	-82	-80.2	274.5	75	<b>69.3</b>	Ended in – historical Dawn Reef?
A1UDH-542	060	-60	-60.0	61.2	45	<b>38.9</b>	Eastern Shear test
A1UDH-543	260	-20	261.2	-20.0	70	<b>66.0</b>	No voids; reefs at targets
A1UDH-544	260	-47	261.2	-48.0	100	<b>100.0</b>	Voids at Dukes and Tasma/Austral reefs
A1UDH-545	260	-61	261.7	-61.6	135	<b>135.4</b>	Vg at Dukes

#### **Assays**

Assays are awaited for holes A1UDH-543, -544, lower part of A1UDH-545.

Hole ID	From (m)	To (m)	Significant Intercept (g/t Au)	Geology / Lithology Description.
<b>A1UDH-539</b>	10.8	11.4	0.64m @ 7.98 g/t Au	Msv quartz vn, styl sulphides to few-mms and a few vg specks on upper contact
	20.4	20.6	0.2m @ 395.34 g/t Au	Msv quartz vn, stylolites sulphides to few-mms and a few vg specks
<b>A1UDH-540</b>	No significant assays			
<b>A1UDH-541</b>	24.9	25.1	0.28m @ 159.56 g/t Au	Msv quartz vein with a few stylolites of sulphides, vg several specks
<b>A1UDH-542</b>	No significant assays			

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>All sampling results reported are from diamond drilling collared in underground mine development in the A1 Mine (MINS294).</li> <li>Half core was submitted for sampling. The samples were dried, crushed and pulverised, then fire assayed (30g charge) for Au at the NATA accredited Gekko Laboratory at Ballarat.</li> <li>QAQC protocols in place include the insertion of blanks and standards inserted at random or at more selective intervals such as immediately after samples of visible gold intersections, and insertion of higher-grade standards within samples from high grade zones.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>The most recent Diamond drilling was completed by DRC using an LM90 rig (electrically powered rig). The core diameter drilled was NQ-2 (50.6mm), with the core orientated using a Reflex ACT II orientation tool.</li> <li>The LM90 rig used a wire line process to recover core from the barrel.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>RQD and recovery data are recorded in the geology logs for all drilling being reported.</li> <li>Core loss is recorded by drillers on run sheets and core blocks placed in core trays.</li> <li>Core runs were generally shorter due to the nature of the drilling process and ground conditions.</li> <li>No significant sample loss has been correlated with a corresponding increase in Au grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All drillholes reported have been logged in full, including lithology, mineralisation, veining, structure, alteration, and sampling data.</li> <li>Logging methods include both qualitative and quantitative parameters in assessing the prospectivity of quartz reefs and host diorite dyke and sedimentary rock.</li> <li>All core has been photographed before sampling.</li> <li>This program was targeting the quartz reefs and mineralised diorite in the south end from 14 Level within the A1 Mine.</li> <li>All intersected geology was logged, and sampling</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>was selected based on visual controls such as visible gold, presence of sulphides and intensity of hydrothermal alteration.</p> <ul style="list-style-type: none"> <li>Approximately 30% of each drillhole is sampled.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Samples from diamond drilling were half (NQ-2) core with the second half retained on site within core trays.</li> <li>Core samples were assayed at the independent Gekko laboratory located in Ballarat. After drying, samples were crushed, and pulverised to 95% passing 75µm.</li> <li>Internal QAQC insertion of blanks and standards was routinely carried out. Random and select insertion was applied, i.e. blanks inserted directly after samples containing visible gold. The Gekko laboratory has its own QAQC program which is reported with results and a monthly QAQC review.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>The sample preparation and assay method of 30g Fire Assay is acceptable for this style of deposit and can be considered a total assay.</li> <li>Industry standards were followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate was approximately 1 every 10 to 20 samples both randomly and selected positions, such as blanks inserted after samples containing visible gold. QAQC results (Both Kaiser and internal laboratory QAQC) were reviewed by Kaiser geological staff upon receipt of the assay results. No issues were raised with the data being reported.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>All field data was entered directly into an excel spreadsheet with front end validation built in to prevent spurious data entry.</li> <li>Data was collected at the A1 Mine core facility and was stored on a server on site (MIN5294) with daily backups. Backed up data was also stored offsite and, in a cloud, hosted dataset.</li> <li>Significant intersections were reviewed by geological staff upon receipt, to ensure the intersections matched the logging data, with the checks including verification of QAQC results.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All drillholes were labelled during the drilling process, and all drillholes have been picked up by Kaiser mine surveyors.</li> <li>Drillholes were labelled by drillers upon completion of the hole.</li> <li>Downhole surveys were taken at 15m, 30m and every 30m or end of hole after this with a reflex single shot camera. A multi-shot was surveyed on retreat from the hole.</li> <li>Grid used was MGA_GDA94.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>The topography control was received from previous operations owners and is of a high standard and consists of a DTM surface.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>This campaign of drilling is from 1410 South rehabilitated workings.</li> <li>These drilling cuddies are positioned to establish sufficient geological and grade continuity for narrow vein gold mineralisation within the A1 Dyke and surrounding sediments.</li> <li>Sample compositing was not applied to the drilling program.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drillholes were positioned perpendicular to the strike of quartz reefs where possible to achieve close to true thickness.</li> <li>Most of the drill angles are not expected to produce any sampling bias factors.</li> <li>There was some risk of minor sampling bias from drilling through numerous mineralised zones near voids associated with old workings. These will be modelled accordingly.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Samples were transported from the A1 Mine to the laboratory or the Maldon Processing Plant either by Kaiser staff, or contractors. Calico bags containing the samples were placed inside larger white poly weave bags, with this white bag sealed with a plastic tie. Samples that were taken to Maldon were placed in a locked security box and collected by the sole trader courier.</li> <li>Core samples numbers and dispatch references are sequential and have no reference to drillhole number.</li> <li>Core trays containing visible gold are stored inside the locked core shed until logged.</li> </ul>



## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The A1 Mine is located within MIN5294 held by Kaiser Mining Pty Ltd. It is located at the A1 Mine Settlement in Victoria which is 120km northeast of Melbourne.</li> <li>MIN5294 is located in the eastern highlands region of Victoria, 23 kilometres south-southeast of Jamieson, within the Shire of Mansfield, on Crown Land managed by the Department of Environment, Land, Water and Planning, with small areas of freehold land abutting or overlapping the tenement.</li> <li>The Maldon processing facility and Kaiser Mining Pty Ltd are subsidiaries of Kaiser Reef Limited.</li> <li>The Mining Licence is in good standing.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The most recent previous underground exploration has been completed by:  A1 Consolidated Gold Company Ltd.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The A1 Mine lies within the Woods Point–Walhalla Synclinorium structural domain of the Melbourne Zone, a northwest trending belt of tightly folded Early Devonian Walhalla Group sandy turbidites.</li> <li>The host rocks are Devonian turbiditic metasediments of the Yarra Group which have been metamorphosed to lower greenschist facies and folded into a northwest-southeast trending series of folds.</li> <li>Gold mineralisation is most abundant in quartz veins associated within reef structures, typically dilationally brecciated shear zones with branching stringer veins which define two or three vein sets.</li> <li>Gold mineralisation is hosted within the A1 dyke as auriferous pyrite.</li> <li>Gold at the A1 Mine has an association with sphalerite, bournonite, tetrahedrite, pyrite and chalcopyrite.</li> </ul>
Drillhole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> <li>easting and northing of the drillhole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Table of Drill Results</li> </ul>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Assays length weighted.</li> <li>No metal equivalents have been reported.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The geometry of the mineralisation is explained within the text and shown in the figures.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Figures in text.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All results have been reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No other data to report.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>The current drilling program in the 1237 Access Drive is on-going with planned holes targeting the reefs in proximity to the historic 21, 22 and 23 Levels within the A1 Mine.</li> <li>Drilling will continue at the A1 Mine using an LM90 electric drill.</li> </ul>

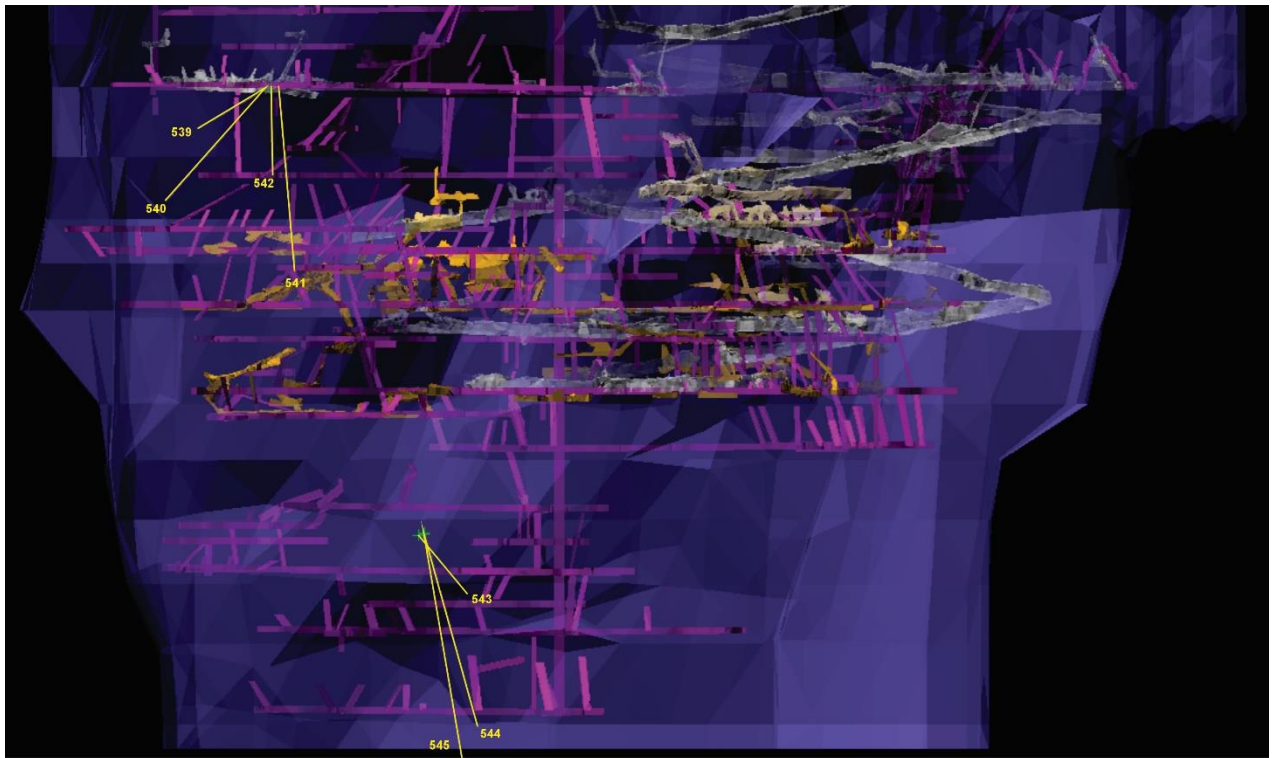


Image of final drill traces from the drilling cuddy, long section looking north